

DAILY REPORT

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U.S.-SOVIET TALKS ON ASIA 'BUSINESSLIKE', 'FRANK'

OW141134 Beijing XINHUA in English 0718 GMT 14 Sep 85

[Text] Moscow, September 13 (XINHUA) -- The high ranking U.S.-Soviet talks on Asian problems which have just ended were "very businesslike and frank", U.S. Assistant Secretary of State for Pacific Affairs Paul Wolfowitz said here today.

TASS reported the talks took place but gave no further details. However, Wolfowitz stressed that his talks with Soviet Vice Foreign Minister Mikhail Kapitsa were "not negotiations... (but) diplomatic discussions, and we consider them confidential." He said there was progress in the sense of each side understanding the other's viewpoints better, and that the discussion of regional problems was "a very important part of the broad agenda" for the Geneva U.S.-Soviet summit in November.

As part of the run-up to the summit, Soviet Foreign Minister Eduard Shevardnadze and U.S. Secretary of State George Shultz will meet this month in the United States. Shevardnadze, in his recent talks with the Mongolian foreign minister, said the tension on the Asian Continent should be solved jointly by Asian and Pacific nations, TASS reported today.

BEIJING RADIO COMMENTARY ON U.S.-USSR RELATIONS

OW150440 Beijing Domestic Service in Mandarin 1150 GMT 9 Sep 85

[International current events commentary: "The Relations Between the United States and the Soviet Union Are Elusive"]

[Text] Reagan and Gorbachev, leaders of the United States and the Soviet Union, will hold the first summit in 6 years between the two countries in mid-November. As the date of the summit grows closer, people are more concerned about the future of relations between the United States and the Soviet Union. However, based on current signs, the development of their relations is still quite unpredictable.

In recent months, the leaders and senior officials of the two countries have made a series of statements on relations between their two countries. Both sides have also taken diplomatic actions which bear directly on bilateral relations. Those talks and actions have a distinguishing feature, that is, both have orally expressed a desire to improve relations but actually they have given tit for tat and refused to yield an inch. Public opinion in the two countries frequently attacked the other and the two sides have sometimes crossed verbal swords fiercely.

On 3 September, meeting with a U.S. Senate delegation, General Secretary of the CPSU Central Committee Gorbachev said: If the U.S. side shows sincerity, the results of the USSR-U.S. summit will be positive. Gorbachev said the Soviet Union always held that relations between the Soviet Union and the United States should return to the road of normal cooperation and mutual benefit. He hoped the two countries would start constructive talks and establish mutual trust and respect for each other's lawful rights, even to a minimal degree.

Earlier, U.S. President Reagan also publicly announced that he looked forward to the U.S.-USSR Geneva summit in November this year and hoped the summit would yield fruitful results. He also said he not only hoped the summit could agree on specific issues but also hoped that hostility and mutual mistrust between the United States and the Soviet Union could be eliminated if possible.

Those statements demonstrate the desire of the United States and the Soviet Union to improve their relations. Nevertheless, the leaders of the United States and the Soviet Union have made contradictory remarks on other occasions. There was not the slightest sign of compromise on major issues.

In the latter part of August, Reagan sent a message to scientists participating in a discussion meeting on nuclear weapons in Italy, saying that the United States was determined to continue the research on "star wars." Reagan emphatically pointed out that the Soviet Union was the only country in the world engaged in the research and production of antiballistic missiles. He said that the United States has just begun in this respect. On the same day, a White House spokesman announced that the United States would conduct three nonnuclear antisatellite weapons tests in outer space this year. He predicted these tests would not influence the summit meeting and the Geneva arms limitation talks.

The Soviet Union responded strongly to this. TASS attacked the U.S. plans as another big stride on its way to militarization of outer space on a large scale. A senior Soviet official, who was visiting the United States, said that the U.S. insistence on going ahead with the "star wars" plan put U.S.-USSR relations in a dangerous state. He said: If the United States continues its tests, we will very likely say goodbye to the entire talks in the foreseeable future. Earlier, Gorbachev had clearly said that the U.S. "star wars" plan was the insurmountable obstacle in reaching any weapons control agreement. He said: If Washington continues to push this plan, the Soviet Union and the United States cannot possibly reach an agreement on arms limitation. The Soviet Union will not stand idle but will take appropriate countermeasures.

On the major issue of outer space weapons, one side insists on developing them while the other resolutely opposes the other side's development. The diametrically opposed stands on both sides have not changed in the slightest so far. In the meantime, both countries have recently taken a number of diplomatic steps that may influence their bilateral relations in order to force the other side to make concessions and have strived to win the support of public opinion in the world so as to place each in a more favorable position in future talks.

As early as April this year, the Soviet Union announced that it would temporarily halt deployment of intermediate-range missiles in Europe before November this year and suggested that, during the Geneva talks, the Soviet Union and the United States temporarily stop the research and deployment of space weapons. At the end of July, Gorbachev again announced that the Soviet Union would unilaterally halt nuclear tests for 5 months and the period extended if the United States responded to its action. In mid-August the Soviet representative to the United Nations proposed the formation of an international outer space research organization to coordinate the peaceful use of outer space.

The series of diplomatic steps taken by the Soviet Union have an apparent intention and goal. It wants to win favorable public opinion in the world, improve its own image, put pressure on the United States, and force the United States to stop, at least temporarily, the implementation of its "star wars" plan. Western diplomatic circles held that these Soviet steps were its latest efforts to obstruct U.S. implementation of a defensive plan in outer space.

The United States has rejected all the Soviet proposals and accelerated its pace in testing space weapons in disregard of world public opinion.

In April the United States announced that the Lawrence Livermore National Laboratory built the largest laser in the world with a 12 billion watt capacity. A responsible person of the center said frankly that this kind of laser equipment could be used in the "star wars" plan. In June the U.S. Air Force twice experimented with laser beam projection toward an operating spacecraft. In mid-August, the United States conducted a new nuclear test in Nevada. In the latter part of August the United States conducted its first MX missile underground test launch. In early September the U.S. Department of Defense announced that the U.S. Air Force would conduct antisatellite weapons target-shooting tests in space later in September.

The U.S. actions show once again a determination to implement its defensive plan in outer space and will not change. To explain the necessity of such actions, newspapers and public opinion in the United States recently stressed that the Soviet Union has long been engaged in developing space armaments and has taken the lead in certain fields.

The Soviet Union categorically denied that argument and criticized the United States for stepping up nuclear arms expansion.

In this propaganda war, the United States has lost more than it has gained. In order to shift world public opinion and attention from opposing U.S. tests of various weapons, the United States suddenly made a strong protest against the Soviet Union in the latter part of August and criticized the Soviet Union for using a cancer-causing chemical substance against U.S. diplomats in the Soviet Union in order to keep them under surveillance.

The Soviet Union used very harsh words in its counterattack. It criticized the United States for attempting to sabotage relations between the two countries.

In this way, the propaganda war between the United States and the Soviet Union has escalated continuously to a white-hot degree. Even they themselves have admitted that relations have again deteriorated. In recent days, both sides again made some gestures of detente.

The above-mentioned situation gives people a clear impression that, although the U.S.-USSR summit meeting will be held soon, relations between the United States and the Soviet Union are still marked by ups and downs. It was said that the argument between the United States and the Soviet Union centered on the issue of intermediate-range missiles last year. Now the argument centers on superiority in space weapons. It appears that the argument will continue for a time and that neither side will make concessions rashly. The development of relations between the United States and the Soviet Union is elusive.

XINHUA ANALYSIS OF UPCOMING 40TH UN SESSION

OWL60332 Beijing XINHUA in English 0246 GMT 16 Sep 85

["News Analysis: Forthcoming U.N. Session Catches Worldwide Attention" -- XINHUA headline]

[Text] United Nations, September 16 (XINHUA) -- The impending 40th session of the U.N. General Assembly will become the focus of world attention with scores of state and government leaders arriving here from the world over to speak on world affairs. But observers cautioned that people should not entertain too much expectation for substantial progress on certain major international issues at this grand gathering.

The 40th session will start tomorrow and climax between October 21 and 24, a period specially set to celebrate the 40th anniversary of the founding of this world body. During the period, heads of state or government from 95 countries will address the assembly on the world situation, the achievements and faults of the world organization.

Reportedly, a declaration will be adopted to reaffirm the aim and principles of the United Nations Charter and call for realization of disarmament, an end to colonialism, maintenance of world peace and closer international economic cooperation. On September 26, foreign ministers of the Security Council member states will hold a special meeting on ways to bolster the council's important role in anticipating or checking aggression and preserving world peace. According to the interim agenda of the new session, 144 motions will be submitted for discussion, of which many are related to world peace and security. The call for arms reduction, particularly by the Soviet Union and the United States, will dominate many speeches and motions, observers said.

But the two superpowers, observers predicted, will try their best to express their "sincerity" for disarmament while blaming each other for arms race, but ignore the desire of other countries for real disarmament as they did at the previous sessions.

Global economy will be another major issue to be discussed at the coming session. The Third World countries will appeal to the international community to set up a new economic order, eliminate trade barriers and solve on a fair ground the debt problem. At the previous sessions, most U.N. member countries demanded the Soviet troop withdrawal from Afghanistan and the Vietnamese pullout from Kampuchea, but the two countries turned a deaf ear to the demand. At this session, they will come again under fire over the issues of Afghanistan and Kampuchea. South Africa, already under worldwide condemnation for its apartheid system and suppression of South African people striving for liberty, will encounter stronger attack from the participants. The issues of Central America and Middle East will be again raised, but no progress is expected as the United States refused to abandon its biased policy in Israel's favor and its practice of meddling in other country's affairs.

During their stay in New York, leaders of various countries will hold private meetings and exchange views on issues of mutual interests. This, observers said, will contribute to promoting bilateral relations and solving various disputes between the countries concerned.

Although the superpowers can no longer call the tune at the United Nations, their influence should not be underestimated. So long as they oppose the solutions to some important international issues, observers noted, the mandatory power of the United Nations to settle these problems remains quite limited.

U.S. CONDUCTS SUCCESSFUL ASAT WEAPON TEST

OW140408 Beijing XINHUA in English 0134 GMT 14 Sep 85

[Text] Washington, September 13 (XINHUA) -- The United States today successfully conducted an anti-satellite (Asat) weapon test, hitting a satellite in orbit over the Pacific Ocean, the Defense Department announced.

The foot-long (30 cm) anti-satellite weapon mounted on a booster rocket was launched into space from a F-15 fighter jet and hit an old U.S. scientific satellite, the Air Force said. The test was monitored by instruments aboard the small projectile -- carried into space by a two-stage 18-foot (six-meter) rocket -- and by ground radar of the North American Aerospace Defense Command (NORAD). The Air Force said that the F-15 jet took off from Edwards Air Force Base in California, climbed near the edge of space and launched the Asat, which was guided by 56 tiny steering rockets and sought the target with infrared sensors. The live test was carried out two months ahead of the scheduled Geneva summit between the U.S. President Ronald Reagan and Soviet Leader Mikhail Gorbachev.

Although the Soviet Union threatened this month to call off its moratorium on testing anti-satellite weapons if Washington went ahead with its Asat trial, the United States still decided to go ahead with the test.

SCIENTISTS PETITION AGAINST 'STAR WARS' RESEARCH

OW131934 Beijing XINHUA in English 1920 GMT 13 Sep 85

[Text] Washington, September 13 (XINHUA) -- A group of American scientists and engineers have launched a campaign to get their colleagues across the country to sign a pledge of refusal to participate in research on the U.S. Administration's "star wars" program, THE NEW YORK TIMES reported today.

The campaign, begun several months ago and formally announced yesterday at a news conference on the campus of the Massachusetts Institute of Technology, has already spread to 39 campuses and gathered signatures from nearly one thousand professors and graduate students in physics, chemistry, engineering and the computer sciences. The pledge, circulated at many well-known American universities and institutions, says that President Ronald Reagan's Strategic Defense Initiative, also known as "star wars," is "ill-conceived and dangerous." It says the program "is not technically feasible" and, on the contrary, will "only serve to escalate the nuclear arms race by encouraging the development of both additional offensive overkill and an all-out competition in anti-ballistic weapons."

Furthermore, it notes, "the program will jeopardize existing arms-control agreements and make arms-control negotiations even more difficult. The program is a step toward the type of weapons and strategy likely to trigger a nuclear holocaust, the pledge warns.

One of the organizers, Professor Zellman Warhaft of Cornell University, told the news conference that the campaign is "unprecedented" and "a watershed" in the history of modern American weapons research. Never before have American scientists and engineers been organized so widely to boycott the development of a specific weapon, he stated.

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But according to THE NEW YORK TIMES report, a spokesman for the Pentagon's Strategic Defense Initiative Office said that the military did not expect the scientists' national campaign to have any effect on the program. He said his office has received over 2,600 applications from researchers and universities hoping to participate in the program.

REAGAN URGES 'CONCRETE PROPOSALS' FROM USSR

OW140404 Beijing XINHUA in English 0141 GMT 14 Sep 85

[Text] Washington, September 13 (XINHUA) -- U.S. President Ronald Reagan today urged the Soviet Union to put forward concrete proposals on reducing offensive strategic nuclear weapons at the third round of the Geneva arms control talks which begin next week.

In a statement issued after his meeting with U.S. negotiators to the Geneva talks, Reagan said, "achieving real reductions in both strategic and intermediate nuclear forces is our overriding objective in Geneva." He added that the United States has a "strong desire" to move with renewed effort at the next round of talks to achieve that objective. "We have placed a number of positive and far-reaching proposals on the table for significant and verifiable reductions. Our negotiators have unprecedented authority for give and take in trying to reach these objectives," he said. He went on to point out that "now is the time for them (the Soviets) to spell out their intentions; now is the time for both sides to move forward." Concrete Soviet proposals, he said, "would get the talks moving and would make a positive contribution to the intensified U.S.-Soviet dialogue which has been underway in recent months."

The President said that he is looking forward to the meeting with Soviet leader Mikhail Gorbachev in November, of which arms control will be "one of the most important parts" of the agenda. He emphasized that "progress at the negotiating table in Geneva in this round would provide a positive, additional stimulus to a productive discussion in November.

ANNA CHENNAULT, SISTER HONORED IN BEIJING

OW141658 Beijing XINHUA in English 1627 GMT 14 Sep 85

[Text] Beijing, September 14 (XINHUA) -- Anna Chennault, vice-chairman of the President's Export Council of the U.S., her sister, Loretta Fung, and their party were honored at a banquet given by Zhou Arfu and Liu Gengyin, both vice-presidents of the Chinese People's Association for Friendship With Foreign Countries here today. The guests arrived in Beijing today as guests of the host association.

CHEN MUHUA MEETS U.S. BUSINESSMEN 12 SEP

OW121338 Beijing XINHUA in English 1324 GMT 12 Sep 85

[Text] Beijing, September 12 (XINHUA) -- Chinese State Councillor and President of the People's Bank of China Chen Muhua met with Randy Allen Harris, president of the U.S. Merrill Lynch Futures, and his party here this afternoon.

Chen exchanged views with the U.S. visitors on futures business and world economic situation. She hoped that cooperation between Chinese enterprises and the U.S. company would expand. The guests arrived here yesterday at the invitation of the international trade research institute under the Ministry of Foreign Economic Relations and Trade. They will hold business lectures in Beijing and Shanghai.

SOVIET UNION CONDEMNS U.S. ASAT WEAPON TEST

OW150152 Beijing XINHUA in English 0145 GMT 15 Sep 85

[Text] Moscow, September 14 (XINHUA) -- The Soviet Union today lashed out at yesterday's U.S. test of an anti-satellite (Asat) weapon and said it would hamper preparations for November's U.S.-Soviet summit.

In a lengthy commentary, the official Soviet agency TASS said by testing its Asat system, Washington took a dangerous step leading directly to the deployment of a new class of weaponry -- strike space weapons. The commentary said that the United States was "spurring on the flywheel of the arms race, which can only plunge the world into the abyss of nuclear war." It accused Washington of further aggravating international tension and worsening the already tense Soviet-U.S. relations.

The practical steps taken by it (the United States) recently naturally hamper constructive preparations for the Soviet-U.S. talks on nuclear and space weapons due to resume in Geneva September 19, and also preparations for the Soviet-U.S. summit," TASS said.

TASS did not repeat a statement issued on September 4 when the U.S. test was originally scheduled. That statement warned that if the United States went ahead with its Asat test, the Soviet Union would free itself of a commitment not to place anti-satellite weapons in space. But TASS reference today to a "new round in the arms race in space" is believed to be a signal that Moscow might retaliate by developing its own satellite weapons research program.

SOVIET WARSHIPS TO VISIT MEXICAN PORT 4 OCT

OW141733 Beijing XINHUA in English 1526 GMT 14 Sep 85

[Text] Beijing, September 14 (XINHUA) -- U.S. intelligence sources said in Washington that this was the first time that two Soviet warships, a guided missile destroyer and a frigate, would come to the port of Veracruz, 210 miles east of Mexico City on the Gulf of Mexico for a 5-day visit, said reports from Washington.

In Mexico City, Navy Ministry Spokesman Hector Aguilar Chagoya said the two Soviet warships "are going to arrive on October 4." "This is not the first time we have had foreign boats come on courtesy visits. We have also had ships from France and the United States visit us," he added.

A U.S. Embassy spokesman in Mexico said, "were such a visit to occur, in Mexico or anywhere in Latin America, we would see that with great concern." It is reported that U.S. President Ronald Reagan has strongly denounced Soviet ships docking in Nicaragua and Cuba. Mexico maintains close ties with each country and is one of Nicaragua's largest suppliers of oil.

SPOKESMAN ON S. KOREA'S RETURN OF RADIOMAN

OW140816 Beijing XINHUA in English 0801 GMT 14 Sep 85

["Foreign Ministry Spokesman on Return of Radio Operator by South Korean Side" -- XINHUA headline]

[Text] Beijing, Sep 14 (XINHUA) -- A Chinese Foreign Ministry Spokesman said today that Chinese departments concerned have expressed thanks for the return of a Chinese military aircraft radio operator by South Korea but reiterated that the pilot of the aircraft also should be returned. The Chinese aircraft crashlanded in South Korea on August 24.

Text of the spokesman's remarks follow: On 24 August 1985, a Chinese military aircraft crashlanded in South Korea after losing its course. Among the three members of the crew, the navigator died of crash, the radio operator received slight injuries and the pilot was seriously wounded. Upon the request of the Chinese side, the South Korean side returned the radio operator and the ashes of the navigator to the Chinese side on 14 September. Chinese departments concerned have expressed their thanks for this. The Chinese side reiterates that the South Korean side should return the pilot to the Chinese side as soon as his wound condition permits.

S. KOREAN STUDENTS URGE NORTH-SOUTH STUDENT TALKS

OW141131 Beijing XINHUA in English 0900 GMT 14 Sep 85

[Text] Pyongyang, September 14 (XINHUA) -- Students at Seoul University have called for the opening of North-South students' talks, according to the CENTRAL NEWS AGENCY OF KOREA quoting radio reports from Seoul. The demand was made yesterday in election speeches for the chairmanship of the General Student Council of Seoul University.

Placards calling for the talks were immediately confiscated by authorities and the students were warned that similar speeches would be prohibited. An earlier report said rallies and demonstrations were also held at the Seoul University of foreign languages and other universities on September 11 and 12 to thwart the "campus stabilization bill" drafted by the South Korean authorities. The students also demanded that the current regime step down.

North and South Korea are currently holding economic and Red Cross talks and are preparing for North-South parliamentary negotiations, the report said.

PAK SONGCHOL RECEIVES PRC ARMED POLICE TROUPE

OW130617 Beijing XINHUA Domestic Service in Chinese 1738 GMT 11 Sep 85

[By reporter Gao Haorong]

[Text] Pyongyang, 11 Sep (XINHUA) -- DPRK Vice President Pak Song-chol received a delegation from the Chinese Armed Police Force led by Commander Li Lianxiu and responsible persons of an Armed Police cultural troupe in Pyongyang on 11 September.

During the meeting, Pak Song-chol said: The friendship between the Korean and Chinese people is not an ordinary, but special one. This friendship is being strengthened and developed today. The visit by the Armed Police delegation and cultural troupe is of great significance in further promoting our friendship.

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Pak Song-chol said: The Chinese people have scored tremendous achievements since the 3d Plenary Session of the 11th CPC Central Committee was convened. The Korean people heartily rejoice at these achievements as if they were their own. Pak Song-chol said: The Korean people unreservedly support the correct line and principles China has adopted.

After the meeting, Pak Song-chol and responsible persons of Korean departments concerned watched a performance by the Chinese Armed Police cultural troupe. Chinese Ambassador to Korea Zong Kewen was present at the meeting and performance.

The singing, music, and dancing performed by the Armed Police cultural troupe received a warm response from the Korean audience. After the performance, Pak Song-chol praised the cultural troupe for encouraging the Korean people's socialist construction with its outstanding performance. The Chinese Armed Police delegation and cultural troupe arrived in Korea on 8 September.

JAPANESE DIETMEN'S FRIENDSHIP LEAGUE VISITS

Message to Hu From Nakasone

OWL31324 Beijing XINHUA in English 1411 GMT 13 Sep 85

[Text] Beijing, September 13 (XINHUA) -- General Secretary Hu Yaobang of the Chinese Communist Party Central Committee met with a delegation from the Japanese Dietmen's League for Friendship With China led by its Chairman Masayoshi Ito here this afternoon. Hu extended a warm welcome to them.

Ito said that Japanese Prime Minister Yasuhiro Nakasone had asked him to convey the following oral message to Hu:

The prime minister said that he would make efforts to solve the imbalance in Sino-Japanese trade, to promote Japanese investment in China and to sign an agreement on protection of investments as early as possible. The prime minister also said that the friendly relations between Japan and China had become consolidated and he would devote his efforts to the ever-growing development of the friendly relations between the two countries. Hu expressed his approval of this and said he was sure that both countries would work for the development of friendly relations.

He also briefed the Japanese dietmen on the economic situation in China. He told them that though there had been some mistakes in economic work last year, "the situation has improved."

Ito said that China's modern construction had been advancing steadily and would be beneficial to peace in Asia and other parts of the world. He wished China's modernization program success, and also said that Japan should strengthen its cooperation with China in its modernization program. Hu and Ito exchanged views on international issues.

Present on the occasion were Xia Yan, president of the China-Japan Friendship Association and Yosuke Nakae, Japanese ambassador to China.

Meets With Peng Zhen

OWL41538 Beijing XINHUA in English 1458 GMT 14 Sep 85

[Text] Beijing, September 14 (XINHUA) -- Peng Zhen, chairman of China's National People's Congress Standing Committee, said today that all-round growth of Sino-Japanese cooperation conforms to the common desire of the two peoples.

He was speaking at a meeting here with a delegation from the Japanese Dietmen's League for Friendship with China led by its Chairman Masayoshi Ito. Peng spoke highly of the contributions made by the league and other Japanese organizations and figures to the development of Sino-Japanese friendship.

Masayoshi Ito replied that relations between the two countries in politics, economy and culture have registered a marked growth in the past 13 years since China and Japan restored good-neighborly relations. He said, however, that there are still minor problems between the two countries, such as the current trade imbalance, but so long as the two governments abide by the guiding principles for Sino-Japanese relations (peace and friendship, equality and mutual benefit, and mutual trust and long-term stability), all the problems can be settled.

Citing this as the main trend of Sino-Japanese relations, Peng Zhen said, so long as this trend is followed, bilateral relations will surely be further advanced. Sino-Japanese friendship is an inevitable trend in the historical development of relations between the two countries, he stressed, adding that no matter what occurs in the world, the friendly and cooperative relations between the two countries are bound to develop.

Masayoshi Ito recalled an unhappy period in Japanese-Chinese relations in the past, and said the Japanese side must make a self-examination.

Peng said: "We should face the future," and, "the Japanese militarists must be responsible for the tragedies of the past." He hoped that the past unhappy events would be settled not only by the leaders but also by the people of the two countries. He told the Japanese friends that this is the common view of the Chinese Communist Party, the whole Chinese people and the Chinese leaders. He expressed the hope that the Japanese leaders and people would share this view, leading to further growth of bilateral relations.

Masayoshi Ito shared Peng's view, and said that the promotion of the development of Sino-Japanese friendly relations is also the common desire of the Japanese people, parliament and government. He noted he was pleased to see that a China-Japan friendship group has been set up by the Chinese National People's Congress. As there is a Dietmen's League for Friendship With China set up by the Japanese Parliament, he said, this is another channel for exchanges between the governments and non-governmental organizations of the two countries.

Present on the occasion were Fu Hao, member of the Standing Committee of the NPC and president of the China-Japan friendship group, and Yosuke Nakae, Japanese ambassador to China. After the meeting, a banquet was given by Peng Zhen in honor of the Japanese dietmen.

The China-Japan friendship group of the NPC conferred with the Japanese Dietmen's League for Friendship with China in the Great Hall of the People here this afternoon. This evening, Fu Hao also gave a banquet for the Japanese dietmen.

Meets Wang Zhen

OW121530 Beijing XINHUA in English 1519 GMT 12 Sep 85

[Text] Beijing, September 12 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, met with a group of Japanese dietmen (parliamentarians) here today.

The group, led by Masayoshi Ito, former foreign minister and now chairman of the Japanese Dietmen's League for Friendship With China, arrived here at noon today.

After the meeting, Wang Zhen, also member of the Political Bureau of the Chinese Communist Party Central Committee, hosted a banquet in honor of the visitors. Xia Yan, president of the China-Japan Friendship Association, was present.

WANG ZHEN FETES JAPANESE PEACE FORUM GROUP

OW131649 Beijing XINHUA in English 1644 GMT 13 Sep 85

[Text] Beijing, September 13 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, met and feted a visiting peace forum group from Japan led by Motofumi Makieda, advisor to the General Council of Trade Unions of Japan here today. Wang is also a member of the Political Bureau of the Chinese Communist Party Central Committee.

The group arrived in Beijing yesterday at the invitation of the Chinese People's Association for Peace and Disarmament.

PENG ZHEN MEETS JAPANESE INDUSTRIALISTS 12 SEP

OW120856 Beijing XINHUA in English 0832 GMT 12 Sep 85

[Text] Beijing, September 12 (XINHUA) -- Chairman Peng Zhen of the National People's Congress Standing Committee met here today with a group of leading officials from the Sumitomo Metal Industries, Ltd., one of the major iron and steel makers in Japan.

While praising Sumitomo for cooperating with China during the past 30 years, Peng Zhen said the company could do a better job in transferring technology to China. "In the days to come," Peng Zhen told the visitors, "your company can accomplish much in its cooperation with China which is now engaged in developing productive forces in its socialist modernization drive."

Hosai Hyuga, chairman of Sumitomo's board of directors, said China is the largest buyer of Sumitomo's products over the past few decades. "We and our Chinese counterparts have agreed on a number of cooperative projects and have taken steps to build them," Hyuga said. Hosai Hyuga and his party have come to attend the inauguration of Sumitomo's Beijing representative office which falls tomorrow.

BORDER GUARDS REPULSE ATTACKS BY SRV TROOPS

OW131657 Beijing XINHUA in English 1653 GMT 13 Sep 85

[Text] Kunming, September 13 (XINHUA) -- Chinese frontier guards in the Laoshan area of Malipo County, Yunnan Province, repulsed 22 Vietnamese attacks from September 8 to 12, according to military sources here today.

The Vietnamese troops began attacking a height in the area on the evening of September 8, when heavy rain hit the area. The incursions continued until the morning of September 12, when the weather was wet and there was thick fog. There were reports of heavy casualties on the Vietnamese side.

BEIJING VIETNAMESE ON SRV PULLOUT FROM CAMBODIA

OW131131 Beijing in Vietnamese to Vietnam 1100 GMT 12 Sep 85

[Unattributed commentary: "Still a Trick"]

[Text] Mr Nguyen Co Thach has said many times that Vietnam would withdraw its troops from Cambodia. This is no easy matter.

At the recent conference of foreign ministers of nonaligned countries, this Vietnamese foreign minister reiterated the troop pullout plan which he announced last August with a view to displaying his goodwill for peace. Moreover, he said that the conditions for a political settlement of the Cambodian issue had ripened. However, according to a REUTER report from Luanda, the capital of Angola, Mr Nguyen Co Thach took a further step in explaining Vietnam's troop pullout plan to newsmen by stressing the need to meet one of the two conditions imposed by Vietnam in order for all of its troops to withdraw from Cambodia. This means that the entire Khmer Rouge force must be swept away or all foreign troops must withdraw from Southeast Asia. Such is Mr Nguyen Co Thach's goodwill for a troop pullout.

The Khmer Rouge force which he mentioned here is the very Army of Democratic Kampuchea. Is it not true that Vietnam has mobilized hundreds of thousands of aggressor troops to wipe out this Army? However, Vietnam has so far failed. On the contrary, this Army has now become one of the main patriotic armed forces in the fight against Vietnamese aggression.

Mr Nguyen Co Thach now wants to make the troop pullout conditional upon the sweeping away of all the national Cambodian Armed Forces in order to achieve the objective which Vietnam has failed to achieve on the battlefield. Let us see whether Vietnam can achieve this objective.

As for the withdrawal of foreign troops from Southeast Asia, this is only a legend. Plainly speaking, the troop pullout mentioned by Mr Nguyen Co Thach will never materialize. Is that not clear as daylight? At the recent Indochinese conference, Vietnam announced that all its troops would be pulled out of Cambodia by 1990. The Hanoi authorities have also noisily ballyhooed their good will. But Mr Nguyen Co Thach's statement was like a soap bubble. Actually, this statement was nothing but a trick.

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PRC INTERNATIONAL AFFAIRS
SOUTHEAST ASIA & PACIFIC

PRC TO RESUME SHIPPING LINKS WITH INDONESIA

OW161123 Beijing XINHUA in English 1040 GMT 16 Sep 85

[Text] Beijing, September 16 (XINHUA) -- China will resume its shipping links with Indonesia this October after an 18-year suspension, according to the China Ocean Shipping Company (COSCO) here today.

COSCO's deputy general manager, Chen Zhongbiao, told XINHUA that a vessel from his company will go to Indonesia this October carrying export items. He said: "We are now making technical preparations for the shipping service and we will do our best to promote direct trade and expand economic relations between the two countries."

China and Indonesia signed a memorandum of understanding on direct trade in Singapore July 5, and the two sides announced in Beijing the opening of direct trade July 29.

SINGAPORE'S LEE KUAN YEW ARRIVES FOR VISIT

Arrives in Shanghai

OW131448 Beijing XINHUA in English 1430 GMT 13 Sep 85

[Text] Shanghai, September 13 (XINHUA) -- Lee Kuan Yew, prime minister of the Republic of Singapore, his wife, and their party flew into Shanghai this afternoon for a two-week official goodwill visit to China at the invitation of the Chinese Government.

The Singaporean guests will fly to Beijing September 18. During their stay in China, Prime Minister Lee will meet Chinese leaders and discuss ways to further bilateral and friendly cooperation. They will also exchange views on international issues of common interest. This is Prime Minister Lee's third visit to China. His previous visits were in 1976 and 1980.

Welcoming them at the airport were Chinese Vice-Foreign Minister Liu Shuqing and Rong Fengxiang, representative of the Chinese commercial agency in Singapore. The Shanghai Municipal People's Government gave a banquet in honor of the guests here this evening.

In his toast, Zhu Zongbao, vice-mayor of Shanghai, said that Shanghai citizens well remembered Prime Minister Lee's last visit to their city, in 1976.

Lee pointed out that Shanghai had achieved remarkable changes since his first visit, and he was convinced that following the implementation of the open door policy in China, Shanghai and other parts of China would advance even further. He hoped Shanghai and its citizens would play greater roles in China's modernization program.

Before leaving for Beijing, the guests will visit Shandong Province and Xian, capital of Shaanxi Province. They will also visit the cities of Dalian, Xiamen, Guangzhou and Shenzhen following their trip to Beijing.

Visits Shandong, Meets Governor

OW141750 Beijing XINHUA in English 1531 GMT 14 Sep 85

[Text] Jinan, September 14 (XINHUA) -- Lee Kuan Yew, prime minister of the Republic of Singapore, his wife and their party flew into Jinan from Shanghai this morning for a three-day visit to Shandong Province.

Braving rain, Lee, in the company of Shandong Governor Li Changan, went sight-seeing on Daming Lake and other scenic and historic sites to the warm welcome of local people. "The friendship and warmth accorded to me here make me feel at home," Lee said. The Singaporean guests were honored at a banquet given by Governor Li this evening. Chinese Vice-Foreign Minister Liu Shuqing flew from Shanghai to Jinan with Prime Minister Lee.

The Singaporean guests will fly to Beijing September 18. During their stay in China, Prime Minister Lee will meet Chinese leaders and discuss ways to further bilateral and friendly cooperation. They will also exchange views on international issues of common interest.

Speaks at Shandong Banquet

SK160045 Jinan Shandong Provincial Service in Mandarin 2300 GMT 14 Sep 85

[Text] At the welcome banquet given by Governor Li Changan on the evening of 14 September in honor of the Singaporean guests, Prime Minister Lee Kuan Yew delivered a speech in which he stated: After our arrival, my wife and I were welcomed and cordially received by the province. I felt the deep warmth and friendship shown by the province which made me feel at home.

At the welcome banquet held at the banquet hall of the Nanjia Guesthouse, Governor Li Changan proposed a toast to warmly welcome the visit of the honored guests from Singapore and to extend congratulations on the achievements scored by Singapore in the fields of education, culture, and economy. He said that there is nothing more pleasing than the visit of a close friend who lives far away. Shandong Province, the home town of Confucius, has a long-developed history and is endowed with abundant natural resources. The people in the province are friendly. He hoped that the visit of his excellency the prime minister would contribute to further deepening the understanding of the provincial ancient culture and the people's practical life and to enhancing the friendship and promoting economic and cultural exchanges between the two countries.

At the banquet, Prime Minister Lee Kuan Yew also stated: Shandong Province is one of the ancient cradles of civilization in China. I feel totally different this time compared to my visit 9 years ago. All of the hosts at the reception are younger than I, are full of vigor, are displaying the spirit of dealing with concrete work related matters, and are fully confident in the country's future. This is a good sign which also shows China's bright future. I am fully convinced that this visit will further promote the friendship and contact of the peoples in Singapore and Shandong.

Prior to the banquet, Governor Li Changan and his wife, Vice Governor Ma Shizhong, and Jinan City Mayor He Zonggui cordially received Prime Minister Lee Kuan Yew, his wife, and his entourage. At the reception, personnel from both sides held a sincere talk amid a warm and friendly atmosphere.

AUSTRIAN PRESIDENT KIRCHSCHLAEGER CONTINUES VISIT

Deng on International Issues

OW140952 Beijing XINHUA in English 0935 GMT 14 Sep 85

["'War Not Inevitable', Deng Xiaoping Says" -- XINHUA headline]

[Text] Beijing, September 14 (XINHUA) -- War is not inevitable, but efforts have to be made to maintain world peace, Deng Xiaoping said here today. Deng, chairman of the Chinese Communist Party Central Advisory Commission, made the comment while meeting with Austrian President Rudolf Kirchschlaeger who is here on a state visit. Deng pointed out that "if war does not break out in this century, there exists hope for world peace in next century."

He said the biggest force for checking war was the Third World.

Deng stated: "When we observe the international strategic situation, we see China as well as East and West European countries as forces for checking war and safeguarding peace. East and West European countries all experienced the disasters of war twice in this century."

Kirchschlaeger said that China's policy is of great significance to peace in Europe and also the other parts of the world. He firmly believes that the independent foreign policy China pursues "is a very important factor to world peace," he said.

Deng spoke highly of the ever-lasting neutral position of Austria, and said "it is correct."

He said more and more countries in the world had adopted an independent foreign policy which was an important factor for safeguarding world peace.

Deng said China had successfully solved the Hong Kong issue with the concept of "one country, two systems", and was ready to use the concept to solve the Taiwan issue.

He said that this concept was not only to achieve China's reunification, but could also be beneficial to the unresolved historical disputes internationally.

Present on the occasion were Wu Xueqian, state councillor and foreign minister; and Li Xue, chairman of the Chinese Government reception committee and minister of astronautics industry.

Before the meeting, the Austrian president laid a wreath at the Monument to People's Heroes at Tiananmen Square in the company of Li.

Deng Views PRC Policy

HK150830 Beijing ZHONGGUO XINWEN SHE in Chinese 0821 GMT 14 Sep 85

[Report: "Deng Xiaoping Speaks on Continuity of China's Policy" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 14 Sep (ZHONGGUO XINWEN SHE) -- At a meeting with Austrian President Rudolf Kirchschlaeger this morning, Chairman of the CPC Central Advisory Commission Deng Xiaoping said: We are to uphold the socialist road and there will be no change in the policy of opening up that we are practicing.

Deng Xiaoping made this statement in answering Kirchschlaeger, who queried "whether China would continue to pursue its current policy."

Deng Xiaoping said: There are two main factors deciding whether our policy can be carried on: first, the correctness of the policy. If the policy is correct, nobody can change it; otherwise, it is not necessary to keep it. Our practice in the past 7 years has proved that the current policy is in keeping with the interests of the state and the people. As all the people have trust in this policy, no one can change it. Second, since the very beginning when we drew up the policy, we have taken organizational measures and introduced the program of making the ranks of cadres younger in average age to guarantee its continuity. We laid down this guideline and started establishing a second echelon a few years ago. Now we are building up our third echelon. Equipped with professional knowledge and full of energy, young cadres are most aware of the advantages of the current policy.

Deng Xiaoping also said: We are introducing step by step the program of making the ranks of cadres younger in average age. One of the central tasks to be dealt with at the forthcoming party delegates conference will be the program of making cadres of the central leading organs younger in average age, according to which a greater number of capable cadres in their prime will be admitted to the CPC Central Committee, the Politburo, and the Secretariat. He revealed that a few old cadres would remain in their posts. For example, he himself would still hold office for a while. Anyway, old cadres will have to quit their jobs some day.

Meets Li Xiannian

OW141012 Beijing XINHUA in English 0903 GMT 14 Sep 85

[Text] Beijing, September 14 (XINHUA) -- Chinese President Li Xiannian and his wife Lin Jiamei met with Austrian President Rudolf Kirchschlaeger and his wife here this morning. Kirchschlaeger noted with satisfaction that China has always taken an extremely friendly and sincere attitude to respect and support Austria's neutral position since the two countries established diplomatic relations in 1971.

The policy of neutrality Austria pursues is in the interest of all European countries and strengthens its independent position, he said.

Li Xiannian said Austria pursues a neutral policy and China does not ally itself with any big powers. In this way, the Chinese Government can conduct an independent policy and air its position on world events according to its own analysis, Li said.

Kirchschlaeger replied that in his talks with Chinese leaders Zhao Ziyang and Deng Xiaoping, he said that China's independent policy served as a very important factor for preventing war and safeguarding peace. All countries should get along with each other peacefully, he said.

President Li said that all people of the world want peace. Although the element of war still exists, anti-war forces are growing daily. He hoped that big powers would stop their interference in the internal affairs of other countries.

On bilateral relations, Kirchschlaeger said that Austrian industrialists and businessmen are extremely keen on furthering relations between the two countries.

President Li affirmed that relations between the two countries are good and should be further promoted through the efforts of both sides.

Chinese State Councillor and Foreign Minister Wu Xueqian and Minister of Astronautics Industry Li Xue were present. Also present were Austrian Foreign Minister Leopold Gratz, Vice-Chancellor and Minister of Industry and Commerce Norbert Steger and Minister of Education and the Arts Herbert Moritz.

Speaks at News Conference

OW141602 Beijing XINHUA in English 1508 GMT 14 Sep 85

[Text] Beijing, September 14 (XINHUA) -- Austrian President Rudolf Kirchschlaeger said here today that his China visit represents the high tide of Sino-Austrian relations. He said the visit resulted in more than he had expected. Kirchschlaeger was speaking at a news conference at the Austrian Embassy here this afternoon. He said he was pleased with his meetings with top leaders of China during the visit. He said that Austrian economic circles place high hopes on the economic expansion of China, adding that he believed that China will continue to make progress in its new economic direction.

When asked to detail ways of economic cooperation between China and Austria, the president said that his visit aimed at creating a political atmosphere for economic cooperation. Vice-Chancellor and Federal Minister for Commerce, Industry and Trade Norbert Steger, who is accompanying the president, said that more than 100 economic contracts had been signed between China and Austria, and 29 others were being discussed concerning machinery, transport, power-generating facilities and building materials.

In reply to a question as to what factors ensure the smooth development of relations between the two countries, the president said the long-term cooperation between the two countries is based on their good political relations and the independent foreign policy China pursues. He noted that China attaches importance to developing relations not only with big countries but also with small ones. He pointed out that the cooperation between Austria and China would continue to develop so long as China continues its independent foreign policy and Austria adheres to its policy of neutrality. The Austrian president asked China's press to convey his regards to the Chinese people and his wish for China's glorious and peaceful future.

Hosts Banquet

OW141635 Beijing XINHUA in English 1602 GMT 14 Sep 85

[Text] Beijing, September 14 (XINHUA) -- Visiting Austrian President Rudolf Kirchschlaeger and his wife hosted a return banquet at the Great Wall Hotel here this evening. Chinese Premier Zhao Ziyang, Vice-Chairman of China's National People's Congress Standing Committee Liao Hansheng and State Councillor and Foreign Minister Wu Xueqian were present.

In his toast, Kirchschlaeger said that the talks he had had with the Chinese leaders had been conducted in a spirit of friendship, sincerity and mutual respect. He said that his visit had demonstrated that contacts between the top leaders of the two countries were important for the development of bilateral relations. The president reiterated Austria's appreciation of China's independent foreign policy.

Zhao described the president's four-day visit here as busy and fruitful, and, he said, it had pushed the political, economic and cultural relations between the two countries to a new level. The premier said that their talks had shown once again that the two countries held identical or similar views on major world events and strongly desired to strengthen their cooperation. He expressed the confidence that through the efforts of both sides, Sino-Austrian relations would surely be further developed.

Attending the banquet were Minister of Astronautics Industry Li Xue, Minister of Chemical Industry Qin Zhongda, Minister of Textile Industry Wu Wenying and Vice-Minister of State Education Committee He Dongchang. Present from the Austrian side were Foreign Minister Leopold Gratz, Vice-Chancellor and Minister of Industry and Commerce Norbert Steger, and Minister of Education and the Arts Herbert Moritz.

LEADERSHIP CHANGES HIGHLIGHT 4TH PLENARY SESSION

Politburo Resignations

OW150659 Beijing XINHUA in English 0646 GMT 16 Sep 85

[Text] Beijing, September 16 (XINHUA) -- Sixty-four older cadres have requested to resign from membership or alternate membership in the Central Committee of the Communist Party of China. Their request was expressed in a joint letter to the Fourth Plenary Session of the 12th party Central Committee held here today.

By their resigning, the letter said: "Younger comrades of ability and political integrity may join the Central Committee, thus further promoting the succession of the new to the old in the central leading organs".

The number involved comes to about 18 percent of the members and alternate members in the Central Committee. Among them are Ye Jianying, member of the Standing Committee of the Political Bureau of the party Central Committee, and Deng Yingchao, Xu Xiangqian, Nie Rongzhen, Ulanhu, Wang Zhen, Wei Guoqing, Li Desheng, Song Renqiong and Zhang Tingfa, members of the Political Bureau.

Meanwhile, 37 older members of the party's Central Advisory Commission and 30 of the Central Commission for Discipline Inspection have also requested to resign from the two commissions.

The letter by the 64 members or alternate members of the party Central Committee said that the colossal task of socialist modernization urgently requires the ranks of cadres, especially leading members at all levels, to become, in the interests of revolutionization, younger, better educated and professionally more competent. The twelfth party congress heralded the succession of the new to the old in the central leading organs. The forthcoming National Party Conference will continue and accelerate this process.

"We regard it as our bounden duty to the party and the cause of communism to implement this strategic decision through our action, so that the current Central Committee will take a giant step towards rejuvenation, so that the new practice by which cadres are ready to work at both higher and lower levels will prevail, de facto lifelong tenure in leading posts will be abolished and a system of constant renewal of members of the leading organs will be established," the letter said.

The letter from the 37 veteran cadres asking to resign from the Central Advisory Commission said that the party's cadres should always serve as a militant force full of vigor and vitality. The gradual elimination of lifelong tenure for leading posts, making the ranks of cadres younger, constitutes one of the party's vital strategic policy decisions and the most important of the reforms which are under way.

"The advisory system is but a transitional measure which will lead to the gradual abolition of the life-long tenure system and will ultimately be replaced by a retirement system," they wrote.

Despite their undiminished aspirations, they said, their energy is steadily declining. Retiring from the commission at this appropriate moment will facilitate the accomplishment within 10 years of the historic mission of the Central Advisory Commission, the immediate formulation of the rule for abolishing the lifelong tenure system for leading posts and its successful application beginning with their generation. This will also permit large numbers of fine young and middle-aged cadres with both ability and political integrity to assume leading posts.

They said: "We understand that retirement from the Central Advisory Commission means another turning point in the course of our revolutionary careers and that by no means does it signify an end. In the future, while enjoying our remaining years under the care of the party Central Committee, we will, as always, devote our energy and efforts to the success of the great, ongoing reforms, the triumph of the socialist modernization drive and the realization of the communist ideal."

A number of enterprising and promising young and middle-aged cadres are to be elected to the central leading organs during the party conference. "We veteran comrades take boundless satisfaction in this," they said.

Similar views were also expressed in the letter by the 30 veteran cadres asking to resign from the Central Commission for Discipline Inspection. It said that in the work and the struggle to effect a fundamental improvement in party relations and in standards for social conduct, the Central Committee and the party as a whole entrusted the Central Commission for Discipline Inspection with heavy responsibilities. "We are confident that, with partial changes in its membership, the commission will be reinforced and its work strengthened, and that it will better ensure the smooth progress of various reforms and the vigorous development of our country's socialist modernization," it added.

Ye, Others Resign

OW160720 Beijing XINHUA in English 0659 GMT 16 Sep 85

[Text] Beijing, September 16 (XINHUA) -- The Fourth Plenary Session of the 12th Central Committee of the Communist Party of China today accepted Marshal Ye Jianying's request to resign and sent him a letter of greetings. Owing to serious illness, the 88-year-old veteran leader requested to resign from the party Central Committee and the Central Military Commission and no longer serve as a member of the Political Bureau of the party Central Committee and member of its Standing Committee, as well as vice-chairman of the Central Military Commission. He stepped down as chairman of the National People's Congress Standing Committee in 1983 at his request.

The letter of greetings described Ye Jianying as a long-tested and faithful fighter of the communist movement in China, a brilliant proletarian revolutionary and strategist and an outstanding leader of the party, Army and state, who enjoys the highest reputation and respect. "The entire party, Army and people will remember forever the outstanding historic contributions you have made to the party and the state," the message said.

"Your utter devotion to the cause of communism in China, the unusual revolutionary courage and resourcefulness you displayed at critical junctures in the tortuous revolutionary struggle and your noble qualities of being eager in study and deep in thinking, and of being industrious in work, ~~keeping the general interest in mind and uniting with comrades~~ -- all this remains a model for us to emulate," it continued.

The letter gave an account of the main events of Ye's life and major contributions to the party, the country and the people in various revolutionary periods and at crucial moments.

As a youth, Ye Jianying who was born in Guangdong Province, took part in the democratic revolution led by Dr. Sun Yat-sen and in the northern expedition during the first round of co-operation between the Kuomintang and the Communist Party.

In 1927 when Chiang Kai-shek and then Wang Jingwei betrayed the revolution, he determinedly joined the Chinese Communist Party at this critical juncture in the Chinese revolution, did much important work in bringing about the Nanchang uprising and helped lead the Guangzhou uprising.

During the agrarian revolutionary war, he served as chief of the General Staff of the Central Military Commission, president of the Chinese Workers' and Peasants' Red Army School, and assisted Mao Zedong and Zhu De in directing the Red Army's victorious campaigns against enemy "encirclement and suppression". On the Long March, he rendered outstanding meritorious service by waging a courageous and ingenious struggle against Zhang Guotao, who was plotting to endanger the Central Committee and the Central Red Army.

On the eve of the war of resistance against Japanese aggression, he helped Zhou Enlai bring about the peaceful settlement of the Xian incident, which led to the second period of co-operation between the Kuomintang and the Communist Party.

During the anti-Japanese war, he successfully carried out the party's united front work in the Kuomintang areas. After returning to Yanan, he served as chief of the General Staff of the Central Military Commission and joined in commanding the operations against Japan. After victory in the war of resistance, as a member of the Chinese Communist Party delegation, he fought back against the Kuomintang reactionaries who were plotting to launch a civil war.

During the war of liberation, he presided over the work of the rear area commission of the party Central Committee, assisting the Central Committee in leading the nationwide people's war of liberation. After the peaceful liberation of Beiping (Beijing), he served as the first mayor of the city. In the southward march of the People's Liberation Army, he directed the campaign to liberate Guangzhou and Hainan Island and presided over the military and government work of the south China area. Beginning in 1954, as one of the leaders of the Central Military Commission, he worked assiduously for the regularization and modernization of the Army.

The letter praised Ye Jianying for his resolute struggle against the Lin Biao and Jiang Qing counter-revolutionary cliques under extremely difficult and complicated circumstances during the "Cultural Revolution". In February 1967, he joined other revolutionaries of the older generation in vehemently denouncing the criminal activities perpetrated by Lin Biao, Jiang Qing and their ilk to create disorder in the party and the Army. After the downfall of the Lin Biao counter-revolutionary clique, he again presided over the day-to-day work of the Central Military Commission as its vice-chairman.

In October 1976, at the critical moment when the Jiang Qing counter-revolutionary clique conspired to usurp supreme leadership of the party, Ye bravely stepped forward and joined other comrades in striking down the Jiang Qing clique in accordance with the will of the majority in the Political Bureau and of the party and people, thereby saving the party from this grave crisis.

Since then, as one of the most prestigious leaders of the party and state, he has made outstanding contributions to the formulation of the correct line of the Third Plenary Session of the 11th Party Central Committee, to the progress of the country's socialist modernization and to the great cause of reunifying the motherland.

"You may rest assured that after the upcoming national conference, which will further the succession of new members to old in the central leading organs, the party Central Committee will become a headquarters of greater vigor and vitality and more capable of leading the people of the whole country in continuously advancing the socialist modernization drive. The cause begun by the older generation of our party's proletarian revolutionaries amidst difficulty and hardship will assuredly progress with flying colors," the letter said in conclusion.

The plenary session also sent a letter of greetings to Huang Kecheng, 83, another veteran communist, and accepted his request to resign as member and second secretary of the Central Commission for Discipline Inspection.

Huang served as an outstanding commander of the Chinese Workers' and Peasants' Red Army and was one of the chief generals of the Eighth Route Army.

After the founding of the People's Republic, while serving as secretary-general of the Military Commission of the Central Committee, chief of the General Staff of the People's Liberation Army and a member of the Secretariat of the Central Committee, Huang made important contributions to the consolidation of national defense and the regularization and modernization of the Army.

At the Lushan meeting in 1959, Huang Kecheng and Marshal Peng Dehuai were subjected to wrongful censure and disciplinary measures. During the ten years of chaos, he suffered political persecution once again at the hands of Lin Biao and the "gang of four," resulting in serious injury to his physical and mental health. However, he remained loyal to the party and the cause of communism.

The letter praised Huang for his outstanding contributions during the war years and after the founding of the People's Republic.

Advisory Commission Meets

OW160742 Beijing XINHUA in English 0729 GMT 16 Sep 85

[Text] Beijing, September 16 (XINHUA) — The CPC Central Advisory Commission discussed the partial readjustment of the commission's composition at its Fourth Plenary Session at the Great Hall of the People here last Saturday. The commission now has 162 members. One hundred and twenty-eight members attended the plenary session; 34 were absent due to illness or previous appointments.

Bo Yibo, vice-chairman of the commission, presided. He said that one important subject to be discussed at the coming National Party Conference is partial readjustment of the composition of the Central Committee, the Central Advisory Commission and the Central Commission for Discipline Inspection.

He said that this move would help make the average age of members of the central leading organs younger, ensuring the continuity of the party's policies and vigorous development of the party's cause. The Central Advisory Commission held an enlarged meeting of its Standing Committee last June and discussed partial readjustment of the commission's membership.

At that meeting, he said, the participants focused on the far-reaching significance of abolishing lifelong tenure of cadres and unanimously expressed the view that such a major reform of the cadre system should become a rule [Beijing XINHUA Domestic Service in Chinese at 0802 GMT on 16 September carries a similar report that adds the following at this point: "and he implemented in our generation."] After the meeting, 37 people (including one who died recently) wrote a joint letter to the CPC Central Committee asking to resign from the Central Advisory Commission, expressing their sincere wish to push the reform of cadre system forward.

The CPC Central Committee, after repeated consideration from the viewpoint of the overall situation, agreed to accept their resignations and proposed election of additional 56 comrades to the Advisory Commission to keep its size in line with the figure decided on by the 12th CPC National Congress.

Bo Yibo described those veterans who asked to resign as being loyal to the party and the people. They had made immortal contributions in the years of revolutionary wars and socialist construction and had done a lot of work while on the Advisory Commission. Their contributions to the party and the people will be remembered for ever, he added.

The CPC Central Committee reiterated, he stated, that more attention should be paid politically and in daily life to the veterans who resigned. He hoped party organizations at all levels, as in the past, would show them full respect politically and take good care of them in other aspects.

Some resigning members spoke at the session. They said that since China was now undertaking the four modernizations, the line of the Central Committee had to be carried out by competent younger people."

The departure of some veterans from the Central Committee, the Central Advisory Commission and the Central Commission for Discipline Inspection conformed to the fundamental interests of the entire party and the people as a whole. [The same report adds at this point: "but also shows the Central Committee's consideration and solicitude for these veteran comrades, they said."]

They pledged that after leaving the Advisory Commission, they would continue to do what they could to advance the party's cause in cooperation with other party members.

Central Committee Resignation Letter

OW161125 Beijing XINHUA Domestic Service in Chinese 0818 GMT 16 Sep 85

[Text] Beijing, 16 Sep (XINHUA) -- Letter to the 4th Plenary Session of the 12th CPC Central Committee from the 64 veteran comrades who requested to resign as members or alternate members of the CPC Central Committee.

To the 4th Plenary Session of the 12th CPC Central Committee: We, the undersigned comrades who have signed this letter, sincerely request the Central Committee to give its consent to our resignations as members and alternate members of the CPC Central Committee, so that younger comrades with the political integrity and talents may join the Central Committee and replace the older members of the central leading organs.

The arduous task of accomplishing socialist modernization urgently requires our cadres rank, leading bodies at all levels in particular, to become younger, more educated, and more professionally competent on the premise that revolutionization is achieved. The 12th National CPC Congress started the process of replacing the older with the younger members in the organs of the party Central Committee. The upcoming National Conference of Party Delegates will continue and accelerate this process. This is the central task of this meeting as well as a strategic policy decision vital to the overall interest. We express our most sincere support. We feel that it is our important and bounden duty to the party and the cause of communism to implement this strategic policy decision through our action, so that the current Central Committee will take a giant step toward rejuvenation, the new practice by which cadres are ready to work at both higher and lower levels will prevail, de facto lifelong tenure in the leading posts will be abolished, and a system of constant renewal of members of the leading organs will be established.

After resigning as members and alternate members of the Central Committee, we will continue to contribute our share to the party and the people and to the realization of the lofty ideal of communism.

Extending our communist respect, Ye Jianying, Deng Yingchao, Xu Xiangqian, Nie Rongzhen, Ulanhu, Wang Zhen, Wei Guoqing, Li Desheng, Song Renqiong, Zhang Tingfa, Yu Sang, Ma Wenrui, Wang Qian, Wang Liusheng, Wang Jinshan, Wang Enmao, Wang Heshou, Bai Dongcai, Zhu Muzhi, Ren Zhongyi, Liu Zhen, Liu Huaqing, Liu Zhijian, Liu Minghui, Liu Fuzhi, Xu Jiatao, Sun Daguang, Sun Guozhi, Li Rui, Li Huamin, Li Qiming, Yang Yichen, Xiao Quanfu, Wang Dongxing, Zhang Zhen, Zhang Aiping, Zhang Zhixiu, Chen Weida, Chen Guodong, Lin Hujia, Zhou Zijian, Zheng Sansheng, Zhao Shouyi, Zhao Cangbi, Hu Lijiao, Hong Xuezhi, Yuan Baohua, Qian Xuesen, Tie Ying, Gao Houliang, Huang Hua, Huang Xinting, Kang Keqing, Liang Biye, Liang Lingguang, Jiang Nanxiang, Han Xianchu, Qin Yingji, Lu Dadong, Xie Zhenhua, Liao Hansheng, Tan Youlin, Tan Qilong, and Tan Shanhe.

5-Year Plan Discussed

OW160732 Beijing XINHUA in English 0720 GMT 16 Sep 85

[Text] Beijing, September 16 (XINHUA) -- The 12th Central Committee of the Chinese Communist Party held its Fourth Plenary Session here today. The session was presided over by Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Li Xiannian and Chen Yun, members of the Standing Committee of the Political Bureau of the Central Committee.

Preceded by four days of preliminary meetings, the session earnestly discussed a proposal for the Seventh Five-Year Plan (1986-1990) for national economic and social development and on partial readjustment of the composition of the central leading organs to further the succession of new members to old in the organs.

After full discussion, the fourth session today decided to submit the draft proposal to the national conference for deliberation. There was full discussion at the plenary session on the partial readjustment of the composition of the central leading organs.

Before the session, 64 members and alternate members of the CPC Central Committee asked to resign from the Central Committee, so as to make it possible to promote more younger cadres to central leading organs.

Among those asking to resign are Ye Jianying, Standing Committee member of the Political Bureau, Deng Yingchao, Xu Xiangqian, Nie Rongzhen, Ulanhu, Wang Zhen, Wei Guoqing, Li Desheng, Song Renqiong and Zhang Tingfa, members of the Political Bureau.

Many other veterans including Huang Kecheng, second secretary of the Central Commission for Discipline Inspection, also requested to resign as members of the Central Advisory Commission and the Central Commission for Discipline Inspection and by their concrete actions to abolish the de facto lifelong tenure system of leading posts.

In their letters of resignation to the Central Committee, they expressed their high sense of responsibility for the interests of the party and the people. They said they were fully confident that the readjustment in the three central leading organs will help carry forward the glorious traditions fostered in the party's protracted struggle and maintain the continuity of the line, principles and policies formulated since the Third Plenary Session of the 11th Central Committee in 1978.

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The fourth session highly praised the exemplary deeds of these veterans. Many participants at the session said that the veterans had made contributions to the party and the people in the past and at present. They had set examples for the successors by their concrete deeds, thus contributing to the reform of the party and the state cadre system, and they would therefore be all the more respected and venerated by the whole party and the people of the whole country.

The session adopted amidst applause letters of greetings to Ye Jianying and Huang Kecheng. The fourth session also approved the request of Xiao Han to end his membership in the party Central Committee.

Communique Issued

OW160647 Beijing XINHUA in English 0637 GMT 16 Sep 85

["Communique of Fourth Plenary Session of 12th CPC Central Committee" -- XINHUA headline]

[Text] Beijing, September 16 (XINHUA) -- Following is the full text of the communique of the Fourth Plenary Session of the 12th Central Committee of the Communist Party of China adopted here today. The Fourth Plenary Session of the Twelfth Central Committee of the Communist Party of China held in Beijing on September 16, 1985.

Present at this session were 188 members and 129 alternate members of the Central Committee of the party. Participating as observers were 130 members of the Central Advisory Commission, 121 members of the Central Commission for Discipline Inspection, and 40 leading comrades of the party committees of the central party, government and Army organs and of various provinces, autonomous regions and municipalities directly under the central government who are not on the Central Committee or the commissions. The session was presided over by the following members of the Standing Committee of the Political Bureau of the Central Committee: Comrades Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Li Xiannian and Chen Yun. Comrade Ye Jianying was absent due to illness.

The session decided to convene the national conference of the Communist Party of China on September 18. The session discussed and adopted in principle the "proposal of the Central Committee of the Communist Party of China for the Seventh Five-Year Plan for national economic and social development (draft)" and decided to submit it to the national conference for deliberation.

The session discussed and decided on the principle of furthering the succession of new members to old in the central leading organs. It received letters from a number of veteran comrades who requested to resign from membership or alternate membership in the Central Committee and from membership in the Central Advisory Commission and the Central Commission for Discipline Inspection, respectively. It praised highly the exemplary deeds of these veteran comrades in positively promoting this succession in the interests of the party and the people, approved their requests for resignation from the Central Committee and the two central commissions, and will report this to the national conference.

The session addressed letters to Comrade Ye Jianying and Comrade Huang Kecheng, who requested to resign their central leading posts for reasons of health, extending to them in the name of the plenary session the great respect and cordial regards of all the comrades of the party.

The plenary session was preceded by four days of preliminary meetings, at which the above-mentioned subjects were fully deliberated and earnestly discussed. The session was held in an open atmosphere and it was a meeting of unity and of success.

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Conference To Open 18 Sep

OW160634 Beijing XINHUA in English 0630 GMT 16 Sep 85

["CPC National Conference To Be Convened September 18" -- XINHUA headline]

[Text] Beijing, September 16 (XINHUA) -- The National Conference of the Communist Party of China will be convened on September 18 in Beijing. This was decided at the Fourth Plenary Session of the 12th CPC Central Committee here today.

A communique said that the session was presided over by Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Li Xiannian and Chen Yun, members of the Standing Committee of the Political Bureau of the Central Committee. Ye Jianying was absent due to illness.

The session discussed and adopted in principle the "proposal of the Central Committee of the Communist Party of China for the Seventh Five-Year Plan for national economic and social development (draft)" and decided to submit it to the national conference for deliberation.

It also discussed and decided on the principle of furthering the succession of new members to old in the central leading organs, the communique said. It received letters from a number of veteran comrades who requested to resign from membership or alternate membership in the Central Committee and from membership in the Central Advisory Commission and the Central Commission for Discipline Inspection, respectively. It highly praised the exemplary deeds of those veteran comrades in positively promoting this succession in the interests of the party and the people, approved their requests for resignation and will report this to the national conference.

The session addressed letters to Ye Jianying and Huang Kecheng, who requested to resign from their central leading posts for reasons of health, extending to them in the name of the plenary session the great respect and cordial regards of all the comrades of the party.

The plenary session was preceded by four days of preliminary meetings, at which the above-mentioned subjects were fully deliberated and earnestly discussed.

Present at this session were 188 members and 129 alternate members of the Central Committee of the party. Participating as observers were 130 members of the Central Advisory Commission, 121 members of the Central Commission for Discipline Inspection, and 40 leading comrades of the party committees of the central party, government and Army organs and of various provinces, autonomous regions and municipalities directly under the central government who are not on the Central Committee or the commissions.

Commentary on Party Agenda

OW141151 Beijing in English to North America 0000 GMT 14 Sep 85

[Xiao Yong commentary]

[Text] The CPC will soon hold its national conference in Beijing. The conference will discuss and adopt proposals for the Seventh 5-Year Plan, which begins next year. It will also name new, younger personnel to the party's leading bodies. Here is Xiao Yong with the details.

The conference takes place at a very noteworthy time, just as the Sixth 5-Year Plan is about to come to an end. According to the economic editor of BEIJING REVIEW (Jing Qi), the plan has been fulfilled. In the first half of the decade, the average annual economic growth rate for China was estimated at more than 10 percent. This figure far exceeds the plan's target of 4 percent and also surpassed the average annual rate of 7.2 percent, which was deemed necessary if the goals set for this century were to be achieved. By the end of this year, it is estimated that the state annual revenue will have doubled, and the huge deficit incurred at the end of the 1970's may be eliminated. It is expected that foreign trade will also double, and China's balance of payments will show a surplus.

There is a reason for this great success. The achievement can be attributed directly to the country's economic reforms. Of course, there are still problems that hinder progress. For a short time, the economy overheated because of the speed of industrial development. There was too much capital construction, and too much currency was issued. Now, effective measures have been taken to remedy this situation. Different macroeconomic sectors must be balanced and coordinated in their development.

The Seventh 5-Year Plan is expected to lay a solid foundation for China's healthy economic development in the 1990's and, at the same time, accumulate some reserve strength. The key to achieving this lies in the success of the urban, scientific, and educational reforms. As Premier Zhao Ziyang said, the Seventh 5-Year Plan is, in a sense, a plan for reform. Some experts think that creating a more relaxed economic environment is crucial for the success of the reforms.

There are several ways to accomplish this task. First, China's economic growth, which is still too fast, must slow down. It is also necessary to improve the quality of products and the economic efficiency of factories. Obviously, it is also necessary to curtail the total scale of capital construction. However, efforts should focus on speeding up the development of energy, communications, raw materials, and other basic industries. At the same time it is necessary to press ahead with upgrading the technology of existing enterprises and the replacement of outdated equipment.

It is expected that the reforms will continue to center around invigorating China's key enterprises, the domestic market will be further opened, the economy based mainly on mandatory planning will gradually be changed into one based on state guidance, and the government's major management method will change from direct control by administrative means to indirect control by economic levers and legislation. However, it is very important to understand that the development of socialist ethics will continue side by side with the reforms.

In the last few years, the replacement of old cadres with younger leaders has been proceeding smoothly. The task has been completed at the county and provincial levels, and more than 200,000 young cadres have been appointed to leading bodies. During the coming party conference, a number of young cadres will probably be named to central leading bodies replacing elder members. It is believed that a reinforced party Central Committee will be able to lead the reform drive to success, fulfill the targets set for the Seventh 5-Year Plan, and realize the great goal of socialist modernization.

LIAOWANG: DENG ON DOMESTIC, INTERNATIONAL SITUATION

HK161258 Beijing XINHUA Hong Kong Service in Chinese 1038 GMT 16 Sep 85

[Report: "Deng Xiaoping Talks Freely About the Situation at Home and Abroad" -- XINHUA headline]

[Text] Beijing, 16 Sep (XINHUA) -- Issue No 38 of LIAOWANG, published today, carries an article by its reporter entitled: "Deng Xiaoping Talks Freely About the Situation at Home and Abroad."

The article says that Deng Xiaoping, chairman of the CPC Central Advisory Commission, who is 81 years old, has in recent months frequently met with statesmen and political leaders from all parts of the world. At these meetings, he told the visitors of his views and aspirations on the current international situation and China's course of development.

Regarding the world situation, Deng Xiaoping pointed out that the strategic and long-term issues in the world today are the ones concerning peace and North-South relations. The so-called peace issue is in fact a political issue concerning the relationship between the two superpowers or between the two blocs in the East and the West. The issue of North-South relations was in fact caused by imperialist exploitation in the past. The rich are getting richer, while the poor are getting poorer. This long-standing problem must be solved.

Deng Xiaoping said: We are not pessimistic about the world's situation. There is always hope for world peace. Although the threat of war always exists, the world's forces for maintaining peace are growing and the factors that check the outbreak of war are also growing. The forces to check the outbreak of war come first from the Third World. The more the Third World develops and is independent, the more it will be capable of checking war. Secondly, the forces come from the developed countries that do not want war. The majority of these countries, for example Europe, both East and West Europe, have experienced the calamity of the two World Wars. Although they belong to the two respective blocs, they are not willing to fight wars.

Deng Xiaoping believes that the two superpowers, the United States and the Soviet Union, and no one else, are capable of launching world wars. Therefore, opposing hegemonism is tantamount to safeguarding world peace.

When commenting on the issue of China being a stable force contributing to world peace, Deng Xiaoping said: We have declared to the world on many occasions that China is a force that contributes to peace. We are badly in need of peace. We do not want to see war. Our primary task is to oppose hegemonism and to safeguard world peace. Above all, we must strive for peace in the first 20 years and then use another 30 to 50 years to build socialist modernization. This cannot be achieved without a peaceful environment. We hope that there will be no wars for at least the next 20 years or even 70 years. If it actually comes to pass that there is no war in the next 20, 30, or 50 years, the possibility of war will be avoided.

Regarding the question of China's reform and opening up, Deng Xiaoping pointed out that opening up and reform are China's unswerving national policies.

Deng Xiaoping said that our socialism is a fine system, so we must uphold this system. The primary task of socialism is to expand productive forces and gradually improve the people's material and cultural lives. Our experience shows that poverty is not socialism. In carrying out socialism, we must wipe out poverty.

Deng Xiaoping emphasized that China will continue to implement the policy of reform and opening up to the outside world. Without the policy of reform and opening up to the outside world, it will be impossible to realize our strategic objective. Our policy of opening up and economic reform will be carried through to the end. This policy will not change, because a change means that we have no way out.

Main Topics of Party Conference

HK160416 Beijing ZHONGGUO XINWEN SHE in Chinese 0340 GMT 16 Sep 85

[Report: "Deng Xiaoping on the CPC National Representative Conference" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 16 Sep (ZHONGGUO XINWEN SHE) -- The latest issue of the political weekly LIAOWANG published today carries Deng Xiaoping's recent remarks: China will not only persist in the policy of opening up to the outside world, but also maintain the continuity of its personnel policy.

With regard to the CPC national representative conference being held in Beijing now, Deng Xiaoping says: There are two main topics for discussion: 1) making the members of the CPC Central Committee, Central Political Bureau and Secretariat younger; and 2) deciding the Seventh 5-Year Plan.

He adds: The 3d Plenary Session of the 11th CPC Central Committee assigned important tasks to comrades who are younger and in better health. Now we mainly rely on Comrade Hu Yaobang, Comrade Zhao Ziyang, and others to do our work. At present, we are establishing our third echelon. We are selecting some persons who are under 60. We will also do our best to select those who are about 40 or so. In the future, we will also establish the fourth and fifth echelons.

Domestic, World Views

HK160932 Beijing ZHONGGUO XINWEN SHE in Chinese 0727 GMT 16 Sep 85

[Report: "Deng Xiaoping Talks About Readjustment of Foreign Policy and the Questions of Hong Kong and Taiwan" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 16 Sep (ZHONGGUO XINWEN SHE) -- Our overriding central task is to build socialist modernization. Our foreign policy is to oppose hegemonism and safeguard world peace. Because of the above task and policy, we will be able to resolve international questions, our problems with other countries, and our own issues, such as Hong Kong and Taiwan.

This is an important viewpoint repeatedly emphasized the CPC leader Deng Xiaoping during his recent meetings with foreign guests. Today's LIAOWANG carries Deng Xiaoping's remarks on China's foreign policy and the issues concerning Hong Kong and Taiwan.

Deng Xiaoping said: We have made a readjustment in our foreign policy; that is, we pursue an independent foreign policy. All peaceful forces are our friends. We are opposed to hegemonism by whoever practices it. We will never engage in group politics or attach ourselves to any group of countries. We have implemented this policy over the past 3 years and achieved practical results. This policy is very favorable to safeguarding peace.

Deng Xiaoping also said that world peace will be reliable as long as China becomes strong. Even when China is strong, she will not join the ranks of the superpowers. China will never be a superpower. This was our principle declared at the UN General Assembly in 1974. I, on behalf of China, made this statement to the United Nations. It was the policy decision made by Chairman Mao and Premier Zhou at that time. It is still our national policy.

Concerning the question of peaceful reunification, Deng Xiaoping said that the issue of Hong Kong is an example of a problem settled through peaceful means. The experience gained by settling the question of Hong Kong is also applicable to the question of Taiwan. We have always maintained that the question of Taiwan should be settled by peaceful means, what is more, the policy will be more flexible compared with that of Hong Kong. We will garrison troops in Hong Kong, but we will not send troops to Taiwan. Are there any other problems that cannot be solved? However, we cannot undertake the commitment never to use force. If we do so, peace talks will be out of the question.

Opening Up, Reform

HK161048 Beijing ZHONGGUO XINWEN SHE in Chinese 0705 GMT 16 Sep 85

[Text] Beijing, 16 Sep (ZHONGGUO XINWEN SHE) -- Deng Xiaoping says: Experience has taught us that socialism does not mean poverty for it aims at the elimination of poverty. Since the 3d Plenary Session of the 11th CPC Central Committee, China has probed the question of how to build socialism. In the final analysis, we must develop the forces of production and the country's economy step by step. To this end, we must follow the laws of social development and open up not only to the outside world, but also to other parts of the country. Deng's words are cited in the latest issue of the weekly LIAOWANG published today.

Deng Xiaoping also said: Opening up to the world is of great significance. It is impossible for a nation to develop if it isolates itself from the outside world and closes its door to international intercourse. The "national seclusion" policy was carried out in China for several thousand years, especially in the 100 years and more after the Opium Wars. This resulted in "poverty of the people and difficulties in the state's finances." We are now striving for the goal of first enabling the people to achieve a relatively comfortable standard of living and then catching up with the economically more developed countries. To attain this, we have to open up to the world, strengthen international intercourse, introduce advanced experiences of developed countries and modern science and technology, and absorb foreign investment. All this cannot be achieved with the door closed. This is what we mean by opening up to the world.

What we mean by opening up to the other parts of the country actually refers to reform. We must carry out overall reforms, which include not only reform of the economy but also that of education and other aspects. After 3 years of carrying out reform in the rural areas successfully, we have shifted our work to urban reform. Urban reform is all the more complex and there are risks, especially since we lack experience and information facilities. However, by virtue of our successes in rural reform and our awareness of certain risks, we can avoid big mistakes. However minor and relatively big mistakes are hard to avoid.

Deng Xiaoping also pointed out: When we refer to the four modernizations, we often neglect the principal word -- socialism. In opening up both to the outside world and to other parts of the country, the appearance of certain unhealthy factors is inevitable. The most important benefit is the development of the forces of production. Deng Xiaoping stressed that China will continue to follow its formulated policies.

If we don't carry out reform and uphold the policy of opening up to the world, it will be impossible for us to attain our strategic objectives. This is our task and we must fulfill it. Our policies of opening up and economic reform will not change. We should persistently and thoroughly carry them out.

Referring to the question of the special economic zones, Deng Xiaoping pointed out that the Shenzhen Special Economic Zone is an experiment and something that has newly emerged in a socialist country. Judged from the experiences gained in Shenzhen, the policy of establishing the special economic zones is correct. Shenzhen has developed rapidly, but it is above all an experiment. There are certain problems yet to be solved, such as the question of currency, the absorption of technology, and the question of earning foreign exchange through exports. However, it has taken us just over 3 years to build the special economic zone, and these problems could be solved in another 3 years.

CENTRAL DISCIPLINE COMMISSION DISCUSSES READJUSTMENT

OW160750 Beijing XINHUA in English 0738 GMT 16 Sep 85

[Text] Beijing, September 16 (XINHUA) -- Partial readjustment of the composition of the Central Commission for Discipline Inspection was discussed at the fifth plenary session of the commission held in the Great Hall of the People last Saturday. Attending the session were 119 members, and 10 members were absent due to illness or previous appointments. The session was presided over by Wang Congwu, secretary of the commission.

Addressing the session, Wang Heshou, permanent secretary of the commission, described as a great strategy decision the proposed partial readjustment of the composition of the party Central Committee, the Central Advisory Commission and the Central Commission for Discipline Inspection. The significance of the readjustment to be made at the coming National Party Conference would be understood more clearly by later generations, he said.

Thirty veterans have asked to resign from the Central Commission for Discipline Inspection to make way for younger people. Their integrity would be respected by the whole party and the people of the whole country, he declared.

Wang Heshou stated that the Central Committee had recommended that about 30 new people be added to the commission. Wang said that those resigning had worked hard and done a lot for the party and the people in the past decades. Their contributions would always be remembered by the party and the people, he added.

In line with the Central Committee's requirements, he said, efforts should be made to take good care of those veterans politically and in daily life so that their remaining years would be happy.

At the session, he read a letter from Huang Kecheng, second secretary of the Central Commission for Discipline Inspection, to the Central Committee, requesting to resign from the Discipline Inspection Commission.

Some resigning members spoke at the session, expressing their support for the decision to partially readjust the composition of the party Central Committee, the Central Advisory Commission and the Central Commission for Discipline Inspection.

They said that although they would no longer hold any post, there was no end to their revolutionary work. They pledged to continue to work for the party in various forms. Some of them raised suggestions at the session for the future work of the Discipline Inspection Commission.

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PARTY, STATE COUNCIL READJUSTMENT 'EXTENSIVE'

OW131352 Beijing XINHUA Domestic Service in Chinese 0158 GMT 13 Sep 85

[Text] Beijing, 13 Sep (XINHUA) -- The readjustment of the leading bodies of the principal administrative organs under the CPC Central Committee and the major departments within the State Council, which began in May 1984, has been basically completed. A group of young, courageous cadres having both ability and political integrity have assumed leading posts.

The party Central Committee has urged that in readjusting leading bodies, it is necessary to further emancipate the mind and take greater steps to gradually retire elderly comrades and replace them with younger, outstanding, and professionally and morally competent cadres. It was in accordance with this guideline that the readjustment of the leading bodies of the different departments in the CPC Central Committee and the State Council has been carried out on the basis of the 1982 structural reforms. Within a period of a year or so, 47 new ministers and directors of bureaus under the party Central Committee and the State Council, along with some 80 vice ministers and deputy directors were appointed. Among them are some 100 newly selected young cadres. The readjustment has further improved the qualities of the leading bodies of the CPC Central Committee and State Council organs.

After readjustment, the average age of the leading cadres heading the State Council's 81 departments is 56.6 years, 5 years younger than the pre-readjustment average. The proportion of cadres under 55 has risen from 10 percent to almost 30 percent. The overwhelming majority of the principal responsible persons in the economic departments are around 55 years old. Seventy-one percent of the leading cadres heading various departments have had a college or higher education, an increase of 27.5 percent over the pre-readjustment figure.

Although the current readjustment was rather quickly and with better results, thanks to the clear guiding ideology of the party Central Committee, the concrete and meticulous work methods, the establishment of a third echelon of leaders by the various departments and the training of reserve cadres, and adequate preparations.

In readjusting the leading bodies and assigning cadres to various posts, proper attention was paid to the transfer of cadres between the central and the local levels, and between departments. So far, more than 10 provincial, autonomous regional and municipal cadres have been transferred to CPC Central Committee and State Council departments to assume leading posts there. Some of them were directly promoted from the grass-roots level to the ministerial posts. At the same time, more than 10 cadres were transferred from one CPC Central Committee or State Council department to another. This horizontal and vertical selection and transfer of cadres not only broadens the horizons of the cadres, but also makes better use of their potential and benefits their overall development.

Appointments, Removals

OW131444 Beijing XINHUA Domestic Service in Chinese 1306 GMT 13 Sep 85

[Text] Beijing, 13 Sep (XINHUA) -- The State Council appointed and removed a number of state functionaries on 19 and 30 August 1985.

Appointed were: Liu Suinian [2692 7151 1628] and Yan Ying [7051 4481] (female) as deputy secretaries general of the State Council; Li Jinhua [2621 6855 5478] as deputy auditor general of the Auditing Administration; Wu Lianyan [2976 6647 0337] as vice minister of nuclear industry; Chang Chongxuan [1603 1504 3551] and Peng Yu [1756 3768] (female) as vice ministers in charge of the State Family Planning Commission; Hu Chuanzhi [5170 0278 3112] as general manager of the China State Shipbuilding Corporation; Chen Zutao [7115 4371 3447] as general manager of the China Automotive Industry Corporation; Zhang Dewei [1728 1795 4850] [PRC ambassador to Thailand] concurrently as representative to ESCAP of the United Nations; and Wang Chiji [3769 6375 2817] as permanent representative to the council of the International Civil Aviation Organization.

Removed were: Li Hao from the post of deputy secretary general of the State Council; Liu Suinian from the post of vice minister in charge of the State Planning Commission; Yan Ying (female) from the post of vice minister in charge of the State Economic Commission; Zhou Jiahua from the post of vice minister in charge of the National Defense Science, Technology, and Industry Commission; Qi Tian (female) and Wang Chensheng from the posts of deputy auditors general of the Auditing Administration; Liu Shulin from the post of vice minister of nuclear industry; Gao Zhenyu from the post of vice minister of aeronautics industry; Wang Ruiting from the post of vice minister of textile industry; Zhou Boping and Ji Zongquan from the posts of vice ministers of the State Family Planning Commission; Feng Zhi from the post of general manager of the China State Shipbuilding Corporation; Li Gang from the post of general manager of the China Automotive Industry Corporation; and Shen Ping [former PRC ambassador to Thailand] from the concurrent post of representative to ESCAP of the United Nations.

RENMIN RIBAO STRESSES PERFORMANCE IN NAMING CADRES

HK101422 Beijing RENMIN RIBAO in Chinese 4 Sep 85 p 1

[Commentator's article: "In Selecting Cadres, Importance Must Be Attached to Their Achievements"]

[Text] Since the party Central Committee call for selecting large numbers of cadres who are above the common run so that a new situation in conformity with the principle specifying the "four modernizations" for the ranks of cadres is created, party committees and their organizational departments at various levels have made a tremendous effort to select cadres through careful judgment. Their achievements are obvious and it is hoped that they will make further efforts in this work. A question now calling for our serious attention is how to set up definite criteria for selecting cadres. It is necessary to take a correct attitude toward diplomas, cultural level, qualifications, and ability. However, what is more important is that judging cadres by their achievements in work should be actively encouraged. Thus we will be able to realize their political morality and ability. This is an important principle guiding us in judging and selecting cadres in a realistic and practical way.

The basic criteria for selecting cadres is their achievement in work. The central leading comrades have pointed out: We must select cadres from "those who have lofty ideals, moral integrity and a strong sense of discipline and are better educated and those who ardently love the socialist motherland and our socialist cause and dedicate themselves to the struggle to make the country strong and the people rich." Over the past years, a number of young cadres in various localities and departments have been selected for leadership positions. Their morality and ability have manifested themselves in the achievements they have made in work and have been generally acknowledged. The actual achievements of cadres objectively exist. They comprehensively reflect the morality, ability, and knowledge of cadres. Only by observing the actual achievements of cadres, can we make a correct judgment of their morality and ability, resolutely correctly the unhealthy trend of appointing people by favoritism, and foster the good habit of selecting cadres by observing their actual achievements.

This will also help educate and encourage large numbers of cadres to strengthen their party spirit, to arm themselves with knowledge and to work in a down-to-earth manner. It will encourage those who are lazy and only hanker for diplomas to exert themselves.

The basic requirement for observing the actual achievements of cadres is this: We should combine the method of observing them with that of understanding them; we should know well how they perform their duties and whether they work hard; in particular, we should observe what they have done for the party and the people in their terms of office and which of their achievements have been generally acknowledged; and through all this, we should further realize who has the better qualifications. However, because of differences in the nature of their work and posts, in the level of their professional knowledge and in the manifestation of their achievements in work, we should not, therefore, judge cadres by a single act or a short period of their lives, but should make a concrete analysis of their circumstances, working conditions, endeavors and work style in a practical and realistic way. In brief, we must uphold the principle of seeking truth from facts in judging the achievements of cadres in work.

CAPITAL CONSTRUCTION INVESTMENT CONTROLLED

HK131101 Beijing ZHONGGUO XINWEN SHE in Chinese 0258 GMT 13 Sep 85

["Investment in Capital Construction Exceeds 3 Billion Yuan During China's Sixth 5-Year Plan" -- ZHONGGUO XINWEN SHE headline]

[Text] 13 Sep (ZHONGGUO XINWEN SHE) -- It is learned from the State Statistical Bureau that during China's Sixth 5-Year Plan period (1981-85), investment in capital construction amounted to over 33 million yuan, which is an increase of 9.74 million yuan over the Fifth 5-Year Plan; 450 large and medium-sized projects and 750 individual projects have been completed and put into production.

In order to ensure that a number of key projects are put into operation soon, China has since 1982 selected a number of priority projects to be built according to rational schedules. Fifty priority projects were selected at that time; this was increased to 70 in 1983, 123 in 1984, and 169 in 1985. The state gives special priority for funds and materials to the priority projects. At present, all the priority projects are developing rapidly. Already a number of large and medium-sized enterprises engaged in communications, energy and raw materials have successively been built. It is estimated that over a dozen priority projects will also be put into production and operation before the end of this year; the other projects will continue to be built under the "Seventh 5-Year Plan."

It is learned that during the Seventh 5-Year Plan, China will continue to stringently control the scale of investment in capital construction and appropriately amass some necessary financial, material and technical resources to efficiently build a number of quality priority projects for energy, communications and raw material industries, so as to create conditions for the economic vitalization in the coming 10 years. High-standard and nonproductive projects, such as buildings, halls, galleries and hostels, will be suspended or delayed.

FINANCE MINISTRY OFFICIAL ON ECONOMIC SITUATION

OW151426 Beijing XINHUA Domestic Service in Chinese 1310 GMT 13 Sep 85

[Text] During the Sixth 5-Year Plan, China's financial situation gradually improved and its financial deficit was decreasing.

For 4 years in a row, its revenues and expenditures were basically balanced. From January to August this year, financial revenues again rose by 21.8 percent over the same period last year.

A few days ago, a major responsible person of the Finance Ministry answered questions raised by a XINHUA reporter on China's present financial situation. He said that the improvements in China's financial situation are manifested in the following five areas:

1. State financial revenues increased steadily, instead of declining year after year. From 1979 to 1981, in order to implement the policy of "readjusting, restructuring, consolidating, and improving," the state treasury appropriated large sums of money to solve longstanding problems, especially those left over from the 10 years of internal disorder. This caused the financial revenues to decline year after year. In 1979 China's financial revenue from domestic sources was 4.8 percent less than the previous year. In 1980, the figure was down again by 2.3 percent compared with the previous year. In 1981 it again dropped by 2.5 percent. Thanks to the implementation of the policy of "readjusting, restructuring, consolidating, and improving," and the adoption of the measures by the central authorities to concentrate the use of funds, increase revenues, and reduce expenditures, China's financial revenues stopped declining and began to increase starting in 1982. As production grew steadily, state financial revenues in 1982 topped the previous year by 6.6 percent. In 1983 the figure again increased by 11.7 percent over the previous year. In 1984 it again rose by 21.1 percent. Calculated in terms of comparable items, the growth rate was 14 percent. Thus the 1985 targets set in the Sixth 5-Year Plan were fulfilled ahead of schedule. From January to August this year, a 21.8 percent increase over the same period last year was registered, calculated in terms of comparable items.
2. The scope of state expenditures gradually widened, and the composition of expenditures has also improved. In 1981, in order to further readjust the economy and reduce financial deficits, the state was at one time forced to temporarily reduce appropriations for capital construction projects and national defense spending. Later on, due to the improving financial situation, expenditures in these areas began to rise again. Particularly noteworthy is the fact that starting in 1982, for the sake of concentrating financial and material resources to ensure the construction of key projects, the state treasury adopted a series of measures to concentrate funds, further strengthening the construction of key projects in energy and transportation. Expenditures on cultural undertakings, education, science, and public health had been increasing over the years. From 1979 to 1984, the average annual increase in educational funds was 14.5 percent, far exceeding the 5.7 percent annual average increase in the overall state financial expenditures were distributed according to the principle of guaranteeing key projects, and paying equal attention to ordinary projects. The composition of the expenditures was more rational. Expenditures on economic construction and social, cultural, and educational undertakings accounted for more than 70 percent of the overall financial expenditures in those 6 years. Thus, the development of construction in all aspects in China was basically guaranteed.
3. The state adjusted the proportional relationship between accumulation and consumption, thereby constantly improving the living conditions of urban and rural residents. Since 1979, while reducing investments in capital construction projects, the state had considerably increased the ratio of consumption in the distribution of national income. The annual per capita net income of peasant households in 1984 was 166 percent higher than in 1978. The annual per capita income of urban worker households used for living expenses in 1984 was 92.4 percent higher than 1978. The gradual improvement in the living standards of urban and rural residents resulted in a sharp increase in their savings deposits. In 1984 the balanced amount of their savings deposits was 5.8 times the 1978 figure. The average annual growth rate was 33.9 percent.

4. Initial reforms resulted in greater self-decision powers for the localities and enterprises, and in greater enthusiasm and more reserve funds for enterprises. In 1984 alone, state enterprises retained 35 billion yuan in shared profits, 12.7 times more than 1978. This played a remarkable role in arousing the enthusiasm of the localities and enterprises for increasing revenues, reducing expenditures, and enlivening the economy.

5. Financial deficits shrank. Revenues and expenditures were basically balanced for 4 years running. In 1979 and 1980 the state treasury registered huge deficits 2 years in a row. Starting in 1981 the central authorities adopted a series of emergency measures to readjust the economy and strictly control financial expenditures. These measures immediately yielded remarkable results in that year. In the next 2 years financial deficits were reduced to 2.55 billion yuan. From 1982 to 1984 the annual financial deficits were 2.93 billion yuan, 4.35 billion yuan, and 4.45 billion yuan respectively. Financial revenues and expenditures remained basically balanced for 4 years in a row.

This responsible comrade said: China's financial situation has been improving rapidly. However, this does not mean that financial problems are completely solved. Subsidies are a heavy burden to the state treasury. The central finance has a difficult time. Since the launching of the comprehensive reform of the economic system, corresponding measures have not been taken in some areas, hence the funds are still somewhat scattered. Furthermore, under the influence of malpractices in the society, coupled with the lack of precise information, strict management, and effective supervision on our part, tax evasion and violations of financial discipline are still rather common. We must attach importance to these problems, and should never become unrealistically optimistic and lower our guard because of the good situation.

STATISTICS ON PROPORTIONATE ECONOMIC GROWTH

OW131254 Beijing XINHUA Domestic Service in Chinese 1020 GMT 12 Sep 85

[Text] Beijing, 12 Sep (XINHUA) -- According to information released by the State Statistical Bureau, relationships between the major proportions of the national economy showed marked improvements during the Sixth 5-Year Plan period. The proportions were basically balanced. The longstanding and serious problem of disproportionate growth in the national economy has ended.

The major manifestations of these improvements were as follows:

--A proportional relationship between agriculture and light and heavy industries was more balanced, so the development of agriculture and light industry no longer lags behind the development of heavy industry. Rural reforms since the 3d Plenary Session of the 11th CPC Central Committee have resulted in major breakthroughs in agricultural production. Meanwhile, production of consumer goods has occupied an important position, the policy of "six priorities" has been applied to light industry, and heavy industry has been readjusted to decelerate its growth. Statistics showed that from 1953 to 1979, the average growth rates of agriculture, and light and heavy industries were 3.2, 9.1 and 13.6 percent respectively. But from 1981 to 1984, the average growth rates of agriculture and light industry rose to 11 and 10.5 percent respectively, while that of heavy industry dropped to 7.7 percent. The proportion of agriculture in the total value of industrial and agricultural output rose to 34.8 percent in 1984 from 27.8 percent of 1978, while the proportion of industry dropped to 65.2 percent from 72.2 percent. The proportional relationships between agriculture, and light and heavy industries was more rational. The composition of agriculture, and light and heavy industries basically matched the current level of economic development in China.

— The internal proportions of agriculture itself showed improvement. Readjustments in recent years have led to gradual changes in the structure of agricultural production. Farming has developed quite rapidly. At the same time, all localities have paid attention to developing and utilizing mountainous and water areas, beaches, grassland, and other land resources, thereby resulting in fairly rapid development in forestry, animal husbandry, sideline production, and fishery. The proportion of farming in total agricultural output value (excluding village-run industries) dropped to 70.1 percent in 1984 from 76.7 percent in 1978, while the proportion of forestry, animal husbandry, and fishery rose to 24.1 percent from 20 percent. Forestry, animal husbandry, and fishery continue to be a weak link although their growth rate was higher than that of farming, and their proportion was increasing.

— Light and heavy industries developed evenly, showing coordinate relationship between the proportions. During the Sixth 5-Year Plan period — with the exception of 1981 when heavy industry registered negative growth because of shrinking capital construction investments — the development of light and heavy industries more or less fluctuated in all other years, although the fluctuations were small. The development of light and heavy industries has seldom been so balanced. The proportions of light and heavy industries has seldom been so balanced. The proportions of light and heavy industries in the total industrial output value in 1978 were 43.1 and 56.9 percent respectively. During the first half of 1985, the proportions of the sectors were quite balanced, accounting for 50.1 and 49.9 percent respectively. However, the internal structure of light and heavy industries was not rational enough.

— The proportional relationship between consumption and accumulation was basically balanced. In order to remedy the serious disproportion between accumulation and consumption, the party and the state — since the 3d Plenary Session of the 11th CPC Central Committee — have adopted measures to readjust the proportion between accumulation and consumption to bring down the excessively high accumulation rate. By 1980 the accumulation rate had been readjusted to 31.5 percent. During the Sixth 5-Year Plan period, the proportion between the two was further readjusted. In 1981 the accumulation rate dropped to 28.3 percent. The proportion between accumulation and consumption was also basically balanced in 1982 and 1983. The accumulation rate rose again in 1984, indicating that the proportional relationship between accumulation and consumption is not steady enough.

-- The proportions of the three major industries in the gross national product showed initial improvements. This was mainly manifested in the fact that the growth of the primary and tertiary industries had been considerably accelerated, contrary to the previous slow development. From 1953 to 1980, the average growth rates of the primary and tertiary industries were only 2.4 and 5.3 percent respectively. However, during the first 4 years of the Sixth 5-Year Plan period, the average growth of the primary and tertiary industries reached 11 and 11.5 percent respectively. Of the three major industries, the primary and tertiary industries had increased in proportion, while the proportion of the secondary industry shrank. However, compared with international standards, China's tertiary industry is still fairly underdeveloped.

The information of the Statistical Bureau shows that while the major proportional relationships have shown improvements, greater improvements have yet to be made in other proportional relationships, some of which have shown new imbalances during the later stage of the Sixth 5-Year Plan period. Based on this, the people should pay attention to coping with the newly emerging situation and problems, so as to ensure a sustained, stable, and balanced development of the economy.

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CHINA
PRC NATIONAL AFFAIRS

S&T COMMISSION PLAN TO INVIGORATE LOCAL ECONOMY

OW151250 Beijing XINHUA Domestic Service in Chinese 0858 GMT 14 Sep 85

[Excerpts] Beijing, 14 Sep (XINHUA) -- The State Scientific and Technological Commission has been drafting a scientific and technological project, called "sparking plan," to invigorate the local economy. According to the plan, while paying close attention to long- and medium-term projects having a strategic bearing on the national economy and the people's livelihood, efforts shall be made to popularize a number of "unpretentious" technological projects that closely combine science and technology with the economy and that are of exemplary and universal significance for small and medium-sized enterprises, especially village and township enterprises. This is aimed at raising the scientific and technological level of small and medium-sized enterprises and village and township enterprises and advancing rural construction, thereby infusing the local economy with new blood for further development. The State Council has recently approved the State Scientific and Technological Commission's request for instruction regarding the drafting of the "sparking plan."

A leading comrade of the State Council wrote comments on the State Scientific and Technological Commission's request for instruction, pointing out the immediate as well as long-range significance of the project. In restructuring agriculture, it is imperative to develop village and township enterprises; and, while developing village and township enterprises, it is necessary to rely on science and technology. The combination of science and technology with village and township enterprises is likely to lead to a new road suitable for the condition in China and, therefore, should be carried out over a protracted time as a basic policy. By doing so, we will certainly achieve unexpected results.

A responsible person of the State Scientific and Technological Commission in charge of the project said: The conditions for implementing the "sparking plan" are ripe. Two new forces complementary to each other have emerged in the economic life of Chinese rural towns in recent years. One is the rise and flourishing of village and township enterprises, and the other is the demand for overall rural construction along with changes in the rural economic structure. To maintain a healthy and sustained growth of these two forces, there is a pressing need for scientific and technological instruction and equipment. In view of the fruitful results in scientific research projects over the years, it is necessary to earnestly apply and popularize them in scientific and technical work because some of them can be transformed into commodities very quickly with only minimal help from scientific and technological departments. The 10 million senior middle school graduates and over 100 billion yuan funds currently available in the vast countryside provide the necessary manpower and material resources for implementing the plan.

After observations and analyses, the State Scientific and Technological Commission has selected a number of projects in 24 key areas that will require little investment but yield fast and good economic results for the "sparking plan." This year, projects will be selected in the development of mountainous areas, aquatic products, aquaculture, livestock, and processing of agricultural and sideline products. Efforts will be made to take firm hold of a project to promote the work of a vast area of a number of areas (a trade or chain production, supply, and marketing.) By doing so, we will be able to transform dozens or even hundreds of technological projects into commodities annually, thereby gradually setting up 24 considerably large industries in the 24 key areas.

The State Scientific and Technological Commission is drafting detailed rules for supervising specific projects in order to spread the "sparks" requiring little investment but yielding fast and good economic results to form a raging flame on the 9.6 million square kilometer territory as quickly as possible.

XINHUA COMMENTATOR ON 2D STAGE OF RURAL REFORM

OW101000 Beijing XINHUA Domestic Service in Chinese 0900 GMT 9 Sep 85

[XINHUA commentator: "Grasp the Two Links of Guidance and Services"]

[Text] Beijing, 9 Sep (XINHUA) -- Strengthening guidance and services for the rural economy and guiding the production of the rural population toward a planned socialist commodity economy are urgent needs of the masses of peasants.

The second-step reform in rural areas has brought about a change in peasants production. It has transformed reliance mainly on state planning to regulation mainly by market demand. Price indicators have begun to take control of production activities in rural areas. This important change has also brought with it new contradictions. One of the new contradictions is that the peasants lack experience in developing a commodity economy. As they have no idea of what to produce and how much to produce, they often do this without proper planning. Moreover, cadres and economic work departments accustomed to planned purchasing and planned distribution also lack experience and ways of using the market to guide, boost, and regulate production. Thus, strengthening guidance over the macro aspects of the economy and improving services for the micro aspects of the economy have become two links in stimulating the continued healthy growth of the rural economy.

At present, some leading comrades have yet to turn their attention to the importance and urgency of this problem. Some comrades are of the opinion that there is no need to exercise control over commodity economy. Anybody who possesses skills can do business in such an economy. This view is obviously incorrect. We want to develop a planned socialist commodity economy, not a capitalist commodity economy. Our aim is to guide the peasants onto the path of common prosperity through developing a commodity economy. This requires that, while respecting the peasants' decision-making power in production and management, we should supply the peasants with information about state plans and market demands in order to help them use their manpower and funds correctly. At the same time, we should also give them concrete assistance, such as by providing services that are very difficult to extend to each individual household; for example, making accurate forecasts on the sale of products, helping peasants understand market demand and making rational arrangements for production, providing technical services in the course of production, and helping with circulation and sales after production. Only thus will the peasants consciously carry out production according to state plans and market demands, thereby achieving greater economic results.

To provide correct guidance and services, it is necessary to have a form of organization. All localities should gradually establish diverse forms of service outlets at the county, township, and village levels by making use of various channels and organizing forces of all quarters in society. Peasants should be vigorously encouraged and helped to form associations and enter into cooperation before and after production. Specialized producers associations organized on the basis of voluntariness by the peasants in some localities are a good example. This type of association and cooperation not only can help overcome the limited scope of household operations and expand the scope of production, but is also beneficial to the implementation of the state's planned guidance over the rural economy. Some localities with a relatively high degree of specialization, such as suburban areas of big cities, commercial grain producing areas, and areas where the breeding industry is fairly well concentrated, may also run pre- and postproduction service associations on a trial basis and in a planned and systematic way. In short, all the areas have some good experiences and methods in this respect, and attention should be paid to popularizing them.

STATE COUNCIL ISSUES REPORT ON CORN EXPORTS

OW151115 Beijing XINHUA Domestic Service in Chinese 0032 GMT 14 Sep 85

[Text] Beijing, 14 Sep (XINUUA) -- The General Office of the State Council recently transmitted a report on corn exports submitted by the Ministry of Foreign Economic Relations and Trade, urging all districts and departments to earnestly implement this report.

The main points of the report submitted by the Ministry of Foreign Economic Relations and Trade are as follows: Corn is one of the major crops in world grain trade. Following the consecutive bumper harvests of grain crops in China, our nation's corn exports have increased on a large scale. The situation in corn exports is excellent. However, there also exist some problems in handling export plans, transportation, and export licenses. Mainly there are too many organizations involved in handling corn exports. It is for this reason that the following measures must be adopted for handling corn exports:

1. Corn exports are placed under the control of the state plans and under mandatory planning. The Ministry of Foreign Economic Relations and Trade is responsible for the control of corn exports in a unified manner. Corn exports not covered by the export plan must be approved by the Ministry of Foreign Economic Relations and Trade after it consults with other departments concerned.
2. The China Corn Export Association is responsible for coordinating the work for China's corn exports. It has been set up to coordinate China's corn export prices, markets, and buyers in accordance with the export quota set by the state. It also works out export plans and supervises its members in implementing such plans. The association is a non-profit organization that does not directly negotiate contracts with foreign businessmen.
3. Exporting corn can only be handled by enterprises that have been allotted a quota and are members of China's Corn Export Association. No other units are allowed to handle corn exports.
4. Since corn exports involve business transactions and transportation, overall arrangements to export corn must be made by the Leading Group in Charge of Sea, Land and Airports under the State Council, the State Planning Commission, the State Economic Commission, the Ministry of Communications, the Ministry of Railways and other departments concerned on the basis of the state plan for the export of corn. Efforts must be made to work out yearly transportation quotas for various provinces, cities and ports. Such quotas should then be allotted after they are approved by the national conference on work with regard to sea, land and airports.
5. It is necessary to tighten control over the issuance of corn export licenses. On the basis of the quotas for corn exports and for port assignments allotted by the state, the unit that handles the export must apply for export licenses from the Ministry of Foreign Economic Relations and Trade after it has submitted export contracts and other credentials to the Corn Export Association for examination. The bank retains a copy of the license, while the customs office then releases the corn for export on the basis of the original copy of the license. Anyone who abuses the license or tries to export corn without a license will be dealt with by the customs office according to law.
6. As for the share of foreign exchange in corn exports, it must be determined in strict accordance with the regulation concerned.

NATURAL DISASTERS 'SEVERELY' AFFECT COTTON CROP

OW130838 Beijing XINHUA in English 0808 GMT 13 Sep 85

[Text] Beijing, September 13 (XINHUA) -- Typhoons, hailstorms and floods have hit China's major cotton producing areas in Jiangsu, Hebei and Liaoning Provinces and output will be severely affected, according to the Ministry of Commerce.

The cotton fields in eight counties of Jiangsu Province's Nantong and Yancheng Prefectures were hit by a typhoon in August and production is expected to fall over 10 percent. In Rudong County, one of the worst hit, output may fall about 15 percent.

On August 10, Hebei Province was hit by hailstorms and about 27,000 hectares of cotton were affected. Nearly 10,000 hectares have been replanted with corn and other crops.

In Liaoning Province, 7,000 hectares of cotton have been inundated by flood waters. It is estimated that total cotton output of the province will drop to 35,000 tons from the planned 50,000 tons.

The ministry said that temperatures in north China have been on the low side and frost may arrive earlier than usual this year. If these predictions prove true, this would be another factor affecting cotton output this year.

XINHUA DIRECTOR MU QING ON ROLE OF JOURNALISM

HK140054 Beijing JINGJI RIBAO in Chinese 7 Sep 85 p 3

[Article by reporter Chu Zhiying: "Party Spirit, the Soul of Journalism -- An Interview With Mu Qing, Director-General of XINHUA NEWS AGENCY"]

[Text] In his talk with some journalists, Comrade Hu Yaobang gave an important instruction on adherence to the principle of party spirit in journalism. Why should this principle be reiterated? How can we adhere to it? With these questions in mind, this reporter interviewed XINHUA Director-General Mu Qing.

Comrade Mu Qing has been engaged in journalism for more than 40 years, since the Yanan period. On this, he said with deep feeling: "Since the very beginning when I began to engage in journalism, I have been following the principle that journalism is the mouthpiece of the party. As to the journalists of our generation, adhering to this principle is not only a perfectly justified but also an unshirkable duty. Some decades have passed, and you may ask why this question should be reiterated now. I think the reiteration of the question is quite appropriate." Mu Qing said: Our country is now in a new period of great historic change. Both the economic base and the superstructure, including journalism, must be reformed. In order to carry out the reform, it is necessary to gain a clear understanding of the orientation and purpose of the reform and clarify some ideas. For example, are there any differences in nature between socialist and capitalist journalism? Are there any differences between the party's journalism work after liberation and that during the period of struggling against the KMT reactionaries before liberation? Did the mistakes that appeared in our journalism work during the period of the gang of four result from adherence to the principle of party spirit? If we do not gain a clear understanding of these questions, the reform will certainly deviate from the correct path.

Mu Qing said: Our party's journalism cause is always a tool of the party to instruct work and educate the people. During the war of resistance against Japan, while commanding the armed struggle, Chairman Mao also firmly grasped propaganda and reports, through which he led the work and fighting in the liberated areas, inspired the people, and encouraged them to advance.

This was an important aspect of the party's propaganda work at that time. In the 1950's and 1960's, facing a very difficult situation, the party led the people to build New China. During this period, the deeds of many advanced elements such as Ma Hengchang, Meng Tai, Wang Chonglun, Lei Feng, Wang Jie, and so forth, were reported by newspapers, and a whole generation of people were educated. The effectiveness of this propaganda was immeasurable. Comrade Mu Qing said with emotion: "No Western papers can play as great a role and enjoy such high prestige among the people as our papers do. This is because in our country, the people regard our newspapers as the mouthpiece of our party. They accept the party's instructions and understand the party's intentions from the newspaper. They also learn from the newspaper the heroic deeds and creativeness of the broad masses of people who are building their own country. This is an achievement we have made by adhering to the principle of party spirit in our journalism work over the past several decades. The prestige of the newspaper is inseparable from the prestige of the party. If the party loses its brilliance, the newspaper will not have its own shine. Therefore, we have always said that party spirit is the soul of journalism."

Mu Qing continued: At the beginning of the economic reform in the countryside, some comrades who could not keep pace with the situation held that the practice of the responsibility system was an example of retrogression. The peasants wanted to carry out reform and the party wanted to promote the reform, but there were obstructions. In such a situation, the press circles did a lot of work. They used many typical examples from real life to prove the advantages of the responsibility system and pointed out in various forms the way out for China's agricultural reform. After reading the reports from newspapers, the peasants were greatly inspired. Some of them even cut relevant articles from the newspaper and always carried them around. The newspaper thus became a powerful weapon to promote the reform. Mu Qing said: "The people have faith in us, and we must hold ourselves responsible to the people. We must accurately convey the party's voice to the people. Only when we keep to the stand of the party's line, principles, and policies and share weal and woe with the people can we know better what to propagate."

Mu Qing then pointed out: Requiring journalists to adhere to the principle of party spirit in propaganda and reportage does not mean that reporters can only copy central documents and what the leaders have said. On the contrary, they are required to give full play to their enthusiasm, initiative, and creativity and make unremitting efforts to go deep into the realities and among the masses to carry out investigation and study and heed their opinions so that they can better reflect the new problems in real life, especially those concerning policies and orientation. In other words, journalism is not merely a mouthpiece of the party, but also a channel to collect and reflect the aspirations and will of the masses. Only when we are clear about the people's demands and fully reflect their will can we hit the target in our propaganda and prevent ourselves from being divorced from the masses. He said: "The students of Beijing University put forth the slogan of 'rejuvenating China' after a game. Why did we report it immediately? This is because we understood that the people need this slogan, as it represents their aspirations. Both Bu Xinsheng and Ma Shengli were typical characters we selected after carrying out investigations and study. The report of their deeds has played a very good role in the reform of enterprises. To go deep into realities and carry out investigation and study is a basic skill that our journalists should master. It is also a good tradition of our party. If we have done a good job in investigation and study, we shall know better whether our propaganda is in conformity with the interests of our party and the people."

In conclusion, Comrade Mu Qing spoke about research work in journalism. He held that our party has accumulated rich experiences in journalism over the past decades and they must be summed up. When we objectively look back on the road we have followed and when we realize to what degree the party's journalism work has given people inspiration and strength, we will better understand the significance of journalism, the mouthpiece of the party, and we will feel more gratified about being journalists. He said that no Western press organ can compare with us on this point.

GUANGZHOU ARRANGES SUPPLY OF NONSTAPLE FOOD

HK150818 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 13 Sep 85

[Excerpts] This morning, a reporter of this station learned from the Guangzhou City Commerce Committee that, in light of the fact that the markets in Guangzhou City have recently been short of nonstaple food and prices have gone up slightly, departments concerned in Guangzhou City have taken effective measures to adequately supply nonstaple food to the markets and to strive to stabilize the markets and the commodity prices. These measures mainly include:

1. To do well in purchasing and selling pork, the Guangzhou City government has decided that the city's revenue be used to subsidize food departments' deficits caused by the difference between the purchase price and the sale price at the beginning of this year and that the financial burdens accumulated in the previous years be solved. Taxes to be paid by state-run commercial units engaging in meat and vegetable business should be reduced or remitted. The amount of nonstaple food subsidies for cadres and workers should be appropriately increased.
2. It is necessary to vigorously organize the sources of nonstaple food and to replenish stocks so as to guarantee supply.
3. It is essential to effectively control the supply of vegetables. Through the efforts of all departments, the vegetable company has now organized some 600,000 jin of vegetables to go on the market, and vegetable prices have begun to drop.
4. It is imperative that we strengthen inspection and supervision of commodity prices and supplies on the market. Over the past 2 days, commercial departments in Guangzhou City and all districts have organized a commodity price inspection force of approximately 100 people, which has been divided into 15 groups. They have gone deep into all commercial units to inspect and resolutely curb the unhealthy trend of indiscriminately raising prices and of disguising price hikes.

GUANGXI SECRETARY DENOUNCES UNHEALTHY TRENDS

HK150624 Nanning Guangxi Regional Service in Mandarin 1130 GMT 14 Sep 85

[Excerpts] The new unhealthy trends in our region were initially cleared up; they had been checked. However, the tasks of further correction and elimination are still very arduous. The regional CPC Committee has demanded that handling the problems of new unhealthy trends be basically completed before the end of October this year. This was put forward by Comrade Chen Huiguang, secretary of the regional CPC Committee, at the recent meeting of responsible comrades of the prefectures, cities, and regional subordinate organs.

Comrade Chen Huiguang declared: When there is an unhealthy trend and money and materials are privately shared in a regional subordinate unit, the directors of the departments and bureaus and cadres at the department level in the unit must take the lead in eliminating this unhealthy trend, returning money and materials privately shared. If they refuse to do so or delay doing so, they must be investigated and responsibility affixed. They can no longer act as leaders. If they are party members, when the time comes for them to re-register as party members, their registration must be temporarily postponed. The prefectural, city and county organs and units must also do this.

This meeting of responsible comrades of the prefectures, cities, and regional subordinate organs was held after the Party Rectification Leadership Group of the regional CPC Committee and the regional Discipline Inspection Commission listened to the report on the situation in party rectification and in correcting the new unhealthy trends.

At the meeting, Comrade Chen Huiguang delivered a speech: "Resolutely Correct the New Unhealthy Trends." Comrade Chen Huiguang said: Since our region implemented the instructions of the central authorities on resolutely correcting new unhealthy trends, although it has scored certain achievements, only a small number of places and units have really done well. The regional subordinate units have worked a little more slowly than all prefectures and cities. They have not adequately solved the problems of returning money and materials; they have not completely cleared up the relatively salient problems of speculating in foreign exchange, indiscriminately issuing loans and taking advantage of issuing loans to pursue private ends, and illegally selling imported vehicles.

In his speech, Chen Huiguang said: The destructiveness and corrosiveness of the new unhealthy trends is very great. If we do not resolutely correct them and if we allow them to continue to develop, they will disturb reform, weaken the socialist economy, and corrupt some cadres. He demanded: The units carrying out party rectification must regard correcting and clearing up the new unhealthy trends as an important component of party rectification. Units that have carried out party rectification must also regard this work as an important lesson missed during party rectification; they must make up and must really do well in grasping it.

Comrade Chen Huiguang pointed out: What merits attention is that those new unhealthy trends were stirred up by leadership groups and leading cadres. In now correcting the new unhealthy trends and clearing up the money and materials privately shared, leadership organs and leading cadres must personally take the lead. When leading cadres set a good example, cadres at lower levels will follow them. This is a key to thoroughly correcting the new unhealthy trends. Leaders of all prefectures, cities, counties, and regional subordinate units must personally mobilize and organize forces to do well in returning money and materials. They must also take the lead in clearing up their own unhealthy trends.

Regarding the problems of speculating in foreign exchange, indiscriminately issuing loans, and illegally selling imported vehicles, Comrade Chen Huiguang said: All of us must clear up these problems. We must mainly investigate and deal with the problems of taking advantage of power to pursue private ends and lining pockets with public funds or other people's money. We must thoroughly investigate without exception the above-mentioned cases involving cadres at all levels. We must seek truth from facts, adhere to the principle, get rid of interference, and boldly investigate and deal with them.

At present, the regional subordinate organs and all prefectures and cities are investigating and dealing with some big and serious cases. We must enhance efficiency in dealing with cases and must handle the remaining cases.

In conclusion, Comrade Chen Huiguang said: The new unhealthy trends have been expressed in many forms but their substance is that the opportunity presented by reform is taken to pursue private ends. Therefore, to correct the new unhealthy trends, apart from taking economic, administrative, and legal measures, it is more important to work hard to strengthen party spirit -- a basic key link. In doing so, we can improve the political quality of party members, can better correct the new unhealthy trends, and guarantee the smooth progress of reform.

HUBEI PEOPLE'S CONGRESS STANDING COMMITTEE MEETS

HK121439 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 12 Sep 85

[Text] The 16th meeting of the 6th provincial People's Congress Standing Committee held a full session this morning, presided over by Zhang Xiulong, vice chairman of the provincial People's Congress Standing Committee.

At the meeting, the report on the situation in dealing with cases of economic disputes that had been made by Ma Liang president of the provincial Higher Court, was heard. A report on the situation in cracking down on serious economic crimes made by (Cheng Xiujie), deputy chief procurator of the provincial People's Procuratorate, and a report on the situation in controlling all audio and video products throughout the province by Zhang Jinxian, director of the provincial Broadcasting and Television Department, were heard.

Attending the meeting were Han Ningfu, chairman of the provincial People's Congress Standing Committee; and Tao Shuzeng, Jiao Dexiu, Tang Zhe, Zhang Jinxian, Shi Chuan, Lin Musen, Wang Zhizhuo, and Lin Shaonan, vice chairmen. Responsible comrades of departments concerned of the provincial government and responsible persons of all city and autonomous prefectural people's congress standing committees attended the meeting as nonvoting delegates.

NANNAN INFORMATION COMPANY BANNED FOR FRAUD

HK131447 Changsha Hunan Provincial Service in Mandarin 1100 GMT 12 Sep 85

[Text] This afternoon the provincial CPC Committee investigation group for the Nannan case gave a press briefing announcing the banning the Nannan Information Company in the Northern District, Changsha City, and stopping publication of all newspapers and magazines illegally published by the company.

The Nannan Information Company was set up in December last year by some incumbent cadres, staff members, and workers in the name of unemployed persons. Since the establishment of the company, they have carried out such illegal activities as illegally doing business, publishing newspapers and journals, and changing the name of the Nannan Information Company of the Northern District, Changsha City, to the Nannan Information Company. They held the first national fine quality and famous brand products display and sale exhibition under the signboard of the Hunan provincial Nannan Information Company and the Editorial Committee of the Dictionary of Chinese Fine Quality and Famous Brand Products, thus cheating the representatives of the companies from 28 provinces and cities, seriously disrupting the economic order of society, and exerting a bad influence.

At the same time, the case of the Nannan Information and Development Company in the Southern District, Changsha City, was handled. Since its establishment last June, the company has earned a large sum of illicit money by illegally reselling vehicles, steel products, color TV sets, cotton yarn, and glycerine.

HEILONGJIANG FIRM HALTS DISPUTES WITH U.S. TEAMS

SK150425 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 12 Sep 85

[Excerpts] The leadership of the geological prospecting company working the Daqing oil fields has accelerated the fulfillment of various prospecting plans by improving work style while launching the party rectification drive and by going deep into the grass-roots level units to deal with questions. The company has assumed oil prospecting tasks for an area of 720,000 square kilometers, including part of Heilongjiang Province and the Hulun Buir League of the Nei Monggol Autonomous Region. The company covers a great many work sites and has a large scope of operation and a large work area.

In the past, leading cadres of the company seldom went into the grass-roots level units. In launching the party rectification drive, the company improved its work methods by conducting voting at meetings and focusing its work on rendering a service to the grass-roots level units.

In June this year, a number of the company's staff members and workers assigned to the two U.S. work teams conducting an earthquake survey in Dorbod Monggol Autonomous County could not adapt to American work methods and managerial style and were misunderstood by the American personnel because of the language barrier. Comrade (Wang Shuyun), secretary of the company CPC Committee, accompanied by five organizational cadres, went to the two teams to carry out an investigation and study. During their investigation, they urged staff members and workers to adopt a correct attitude toward the disputes with the American personnel and to actively and effectively cooperate with them, and helped them deal with some concrete problems concerning their livelihood, resulting in smooth progress in cooperation during the survey.

The change in work style displayed by the leadership of the company has resulted in an overall improvement of the work style of various organs throughout the company. Since June this year, more than 200 cadres from 26 sections and offices in the company have made 870 trips to the grass-roots level units. They have solicited more than 180 opinions from these units and dealt with 163 problems that have cropped up there. The improvement in work style displayed by the leadership and organs' cadres in the company has further inspired the masses' enthusiasm for vigorously prospecting for oil.

LIAONING ADMINISTRATIVE OUTLAYS OUT OF CONTROL

OW131220 Beijing XINHUA Domestic Service in Chinese 1151 GMT 9 Sep 85

[By reporter Wang Qinzue]

[Excerpts] Shenyang, 9 Sep (XINHUA) -- In the first half of this year Liaoning lost control of the expenditure of its administrative funds, with runaway outlays totaling 63 million yuan, a 44.39 percent increase over the corresponding period of last year. The increase rate was second only to Xizang and Qinghai, both of which were special cases.

Why did Liaoning lose control of the outlay of its administrative funds? A few explanations warrent vigilance everywhere.

First, responsible persons of many units sought comfort and convenience and rushed to buy top-notch cars. These cars alone constituted 13.4 percent of the additional outlay of the province's administrative funds.

Another important reason why Liaoning overspent its administrative funds was its cumbersome administrative structure, overlapping administrative organizations, and overstaffed party, government and mass organizations at all levels.

Third, the number of people going abroad, taking tours, and making visits to learn from other units increased. The trend of going abroad, in particular, not only increased the outlay of administrative funds but also cost the state a large amount of foreign exchange. During the first half of this year, Liaoning sent 1,052 groups abroad. These groups consisted of more than 5,000 people and spent foreign exchange totaling U.S.\$13.17 million, more than 300 percent of the amount listed in the annual plan and an increase of 800 percent over the corresponding period of last year.

These questions have attracted the attention of the Liaoning Provincial CPC Committee and the provincial government. In the past 2 months, the provincial government has worked out a series of measures to reduce administrative funds. Initial results were achieved in July and August.

INVESTIGATION GROUP TO STUDY LIAONING POWER OUTAGE

SK140341 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 13 Sep 85

[Text] In July, this station reported in a provincial hook-up the case of the Liaoyang Power Bureau, which abused its special power and forcefully cut the power of an operating yellow phosphorus workshop under the Liaoyang chemical fertilizer plant despite the advice of the Liaoyang City Government, thus causing an economic loss of more than 320,000 yuan for the state. Since this report was broadcast, provincial listeners have voiced strong reactions.

The Discipline Inspection Commission of the CPC Central Committee, and the Liaoning Provincial Discipline Inspection Commission are seriously looking at this man-made incident, which incurred serious losses to the state. On 11 September, the Liaoning Provincial Discipline Inspection Commission formed and sent a joint investigative group to Liaoyang to examine the case in accordance with the spirit of the directive of the Central Discipline Inspection Commission.

LIAONING HOLDS INTERNATIONAL TRADE TALKS

SK160135 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 15 Sep 85

[Text] After 10 days of talks, the Jinzhou symposium on international economic and technical cooperation concluded on the evening of 14 September. The three cities of Jinzhou, Fuxin, and Chaoyang in western Liaoning signed 34 cooperative agreements with 248 foreign businessmen from 14 countries and regions during the symposium. Of these cities, Jinzhou signed 26 agreements, Fuxin, 5 agreements, and Chaoyang, 3 agreements -- all worth more than \$23 million in transaction volume. In addition to the economic and technical cooperation talks, the cities and foreign businessmen also extensively exchanged their technological knowledge of the more than 20 agreements at the symposium.

The symposium demonstrated that the middle- and small-sized cities in western Liaoning have upgraded their economic and technical cooperation with the outside world from only introducing foreign capital to having joint ventures with foreign businessmen. Of the signed agreements, three are joint-venture projects worth more than \$1.2 million in foreign investment.

A second characteristic of the symposium is that the middle- and small-sized cities in western Liaoning have not only enhanced the friendship and cooperation previously established with countries and regions including Japan, but have also opened their window to several countries in Central America and strengthened mutual understanding and cooperation between these cities and the Central American countries.

In addition, a large number of township- and town-owned enterprises have boldly attended the symposium and scored gratifying achievements by having wide-ranging conversations with the foreign businessmen.

GANSU WEEDS OUT PEOPLE OF THREE CATEGORIES

HK150520 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 12 Sep 85

[Text] In party rectification, the Longnan Prefectural CPC Committee has helped the CPC group of the prefectural Agriculture and Animal Husbandry Department to seriously weed out people of the three categories and other impure elements sneaking into leading groups.

During the Cultural Revolution, (Chen Shiqian), former chairman of the Revolutionary Committee of the (Wudu) Prefectural Agricultural Science Research Institute; (Zhang Youde) and (Yang Xueyi), vice chairman of the Revolutionary Committee; and (Yang Tongxue) and (Li Jianchun), members of the Revolutionary Committee, cruelly persecuted intellectuals, leading cadres, staff members, and workers. They extorted confessions from 11 persons by violently forcing them to bend over, violently treating them with smoke, and beating them with steel wire whips. As a result, one person was killed and three others crippled.

Since party rectification and the work of weeding out people of the three categories, people have successively exposed and reported the cases and called for investigation and handling of the cases of persecuting intellectuals and leading cadres. After learning all this, the Longnan Prefectural CPC Committee has removed various obstacles to thoroughly investigate and handle the case. According to the verification office and the CPC Committee of the prefectural Agriculture and Animal Husbandry Department, the Longnan Prefectural CPC Committee decided to remove (Zhang Youde) from the post of deputy secretary of the CPC Committee of the prefectural agriculture and animal husbandry department and to expel from the party (Chen Shiqian), (Yang Tongxue), and (Li Jianchun).

QINGHAI UPDATES REGULATIONS ON FAMILY PLANNING

HK131355 Xining Qinghai Provincial Service in Mandarin 2330 GMT 12 Sep 85

[Text] The provincial conference on family planning work concluded in Xining recently. In accordance with the spirit of the relevant regulations of the central leadership, the conference formulated some new regulations on concrete policies toward family planning in the province on the premise of upholding the principle that each couple have only one child.

While advocating that every couple who are staff members, workers, and urban residents have only one child, the conference decided that couples who have special difficulties may, with the approval of the relevant departments, have a second child 4 years after their firstborn.

These exceptions include the following: at least one party of a couple is an only child; one party of a couple is a grade-2 or higher disabled person; one or both parties of a couple are Overseas Chinese or returned Overseas Chinese; and one party of a couple is married for the second time and the other is married for the first time and the re-married one has no more than 2 children by his or her first marriage. Staff members, workers, and urban residents of minority nationalities can also apply for permission to have a second child 4 years after their firstborn. Peasants may continue the system of having their second child in a planned way and herdsmen may continue the system of having their third child in a planned way.

XIAN PLANT DIRECTOR ON THE TRIALS OF REFORM

OW151617 Beijing XINHUA Domestic Service in Chinese 1624 GMT 11 Sep 85

["Do Not Attack Reformers and Make Them Crestfallen -- A Plant Director's Appeal" -- XINHUA headline]

[Text] Beijing, 11 Sep (XINHUA) -- JINGJI CANKAO [ECONOMIC REFERENCE] reports: In a recent interview with this reporter, Shao Guobin, plant director of the Xian aircraft manufacturing plant, and a number of his middle-level cadres pointed out that some reform-minded, enterprising people are undergoing tremendous trials.

Shao Guobin, 53, a graduate in mechanics from Beijing Polytechnic College, and an expert in aircraft manufacturing, has served as head of a technology section, and later as director of a design institute. He assumed his current post in 1983. Last year, he was chosen as a model worker for Shaanxi Province.

According to Shao Guobin, the Xian aircraft manufacturing plant is a large enterprise with a considerable number of engineering and technical personnel and a lot of fine equipment. Prior to 1980, its staff members and workers were always struggling to stop losses. After he took over the director's post, he became keenly aware of the need for reform, which he believed offered the only way out of the plant's difficulties. Therefore, in accordance with the central guidelines on economic reform, he boldly initiated a series of reform measures and adopted the economic policy of diversification while pursuing the main line of production. While ensuring the manufacture of the plant's main products, he organized a battle to tackle the key problems related to the manufacturing of "Yun-7" civil passenger planes. A batch of these planes is expected to come out of the plant this year. Second, he set up seven production lines for civilian goods. The antennas, aluminum sash, and diving boards have become known brand names in China. Their output value this year may reach 20 million yuan with an expected profit of 6 million. The goal is to produce 120 million yuan worth of civilian goods, or the equivalent of the plant's current total output, by 1990. In addition, he also mobilized all engineering and technical personnel to involve themselves in technology transfer, consultation, and service, which together are earning some 4 million yuan a year for the plant. Furthermore, a number of processing contracts have been signed with U.S., Canadian, and French airlines.

At Shao Guobin's suggestion, management of party and administration cadres was separated to strengthen the production management command system. The director now decides the establishment of an administrative apparatus and the appointment of production, administrative, and technical personnel, who will be hired under contract. At the beginning of this year, the plant closed 19 departments and sections and transferred 528 cadres to lower levels to strengthen the production front.

Shao Guobin said: Reform has enhanced the plant's capacity for development and competition and has increased its profit margins. Last year, the plant realized 13.8 million yuan in profits, twice as much as that in 1983. The output value and profit for the first half of this year rose 42.8 and 150 percent respectively over the same period last year. Workers' welfare and income both registered greater improvement. The workers declared that the reforms are just great.

Shao Guobin said: "The unhealthy views and rumors currently spreading in society reflect a sort of ideological trend that is related to the publicity from certain newspapers. The publicity on the deeds of comrades who actively promoted reform gave a strong impetus to economic reform last year. Currently, however, newspapers are giving less publicity to positive examples while mentioning questionable plant directors. It is not surprising that some negative phenomena would emerge in the course of reform.

"This is as unavoidable as are running sores on the body that should be removed to recover health. As I understand, the overwhelming majority of enterprises' leaders are not after personal gain, but are imbued with the great objective of revitalizing the motherland. They resist all sorts of pressure and work with all their might. Despite coronary heart disease, I work 13 or 14 hours every day, and have sometimes even had to review papers with an intravenous needle in my body. Since the state has entrusted such a big enterprise to me, I as director, must share a common fate with the enterprise!"

"Without reform, China is hopeless. Taking a step forward in reform is as difficult as crossing over a human wall. In making reforms as a plant director, I have to make known my position on a number of questions, and some may be offended by it. Offending many people can invite rumors and slander. Last year, I spent all the 1,000 yuan award from the plant workers' congress on orphans and disabled people living alone, and spent the 200 yuan bonus I received from being elected a provincial model worker on a dinner for old comrades. Shaanxi Province gave me a wage promotion of two grades, but I only took one. My wife, who is a college graduate, has been a deputy head of a section in our plant for 21 years because I rejected all recommendation for her promotion over the past years. My family of six members spanning three generations lies in a 3-room house without water supply or a lavatory. I honestly need a house, but this is not my primary concern. What I need most is the creativity to successfully carry out reform."

Shao Guobin said: "The main resistance to the current reform comes from some party comrades who demand jobs, power, and money, and will resort to slander if their demands are not satisfied. They dare not criticize the central authorities, but berate plant directors instead. Since reform has invigorated enterprises, raised their economic efficiency, and improved the workers' livelihood, those who have promoted reform should not become dejected by harsh criticism. In order to persevere in the current reform, it is necessary to steadfastly support its promoters. I hope that press units will do a better job. Those evil persons who took the opportunity of reform to seek personal gain should be exposed for their bad conduct. But it is more important to see that they are punished by law. In order to show the people the prospects and hope of reform and firm their confidence in it, newspapers should give more publicity to those who pioneer reform for the prosperity of the country and the development of the enterprises."

XINHUA INTERVIEWS WANG ENMAO ON XINJIANG PROGRESS

OW131105 Beijing XINHUA Domestic Service in Chinese 0813 GMT 12 Sep 85

[Newsletter by XINHUA reporters Kang Guozhi and Liang Mingda: "The Radiance of the Party's Policy Toward Nationalities Shines on Both Sides of Tian Shan -- An Interview With Wang Enmao, First Secretary of the Xinjiang Uygur Autonomous Regional CPC Committee"]

[Excerpts] Urumqi, 12 Sep (XINHUA) -- The natural scenery on both sides of Tian Shan was especially beautiful in August. Engaging in creative labor, the people of various nationalities in Xinjiang were greeting with boundless joy the 30th anniversary of the founding of the autonomous region, which falls on 1 October this year. As this happy occasion was coming soon, we interviewed Wang Enmao, first secretary of the regional party committee.

When troops under the command of General Wang Zhen entered Xinjiang in 1949, Wang Enmao was one of the high-ranking officers with those troops. After the liberation of Xinjiang by troops, he stayed on to work there. During the "Great Cultural Revolution" he was persecuted for no reason and left Xinjiang in 1968. He returned to Xinjiang in 1981, in accordance with a decision of the CPC Central Committee. He has worked in Xinjiang for 24 years altogether.

Citing a series of figures, he told us about the tremendous achievements made in the autonomous region since its founding:

The autonomous region's total industrial and agricultural output value was 10.53 billion yuan in 1984, 6.36 times that in 1955. Total industrial output value was 5.98 billion yuan, a 14.56-fold increase over 1955; and total agricultural output value was 4.55 billion yuan, increasing 3.35 times. The region's iron and steel industry started from scratch. The annual output of iron, steel, and steel products each was over 100,000 metric tons in 1984. The oil industry in the region started almost from scratch. The annual output of crude oil was more than 4.5 million metric tons in 1984. By 1984, 22,000 km of highways had been built in Xinjiang, more than a 100 percent increase over 1955. There are now 11 civil aviation stations in the region, with the total length of air routes surpassing that in any other province or autonomous region. The region's grain output in 1984 was 9 billion jin, and its cotton output, 3,846,000 dan, an increase of 2.37 and 6.65 times respectively over 1955. The region was more than self-sufficient in grain and transported large quantities of cotton, sugar, melons, and fruits to other areas for sale.

By 1984 the region had established 14 institutions of higher learning, 2,325 middle schools of various types, and more than 8,000 primary schools, with a total enrollment of over 2,956,000 students. Public health and scientific research had also developed from scratch. The region had more than 160,000 specialized and technical personnel who made over 2,860 valuable achievements in scientific research.

The livelihood of the people of various nationalities in the region has noticeably improved on the basis of developed production. The region's total volume of retail commodity sales in 1984 came to more than 5.1 billion yuan, 7.1 times higher than in 1955. The per-capita income of peasants and herdsmen in the region was 360 yuan, a rise of more than 100 percent over 1978.

After citing these figures, Wang Enmao pointed out: "Xinjiang has made tremendous development in construction and laid a solid foundation for greater development in the future. However, this is only the beginning of prosperity, and the region has far to go to extricate itself from backwardness."

He then briefed us on Xinjiang's rich natural resources. Xinjiang covers an area of 1.6 million square km, accounting for one-sixth of the country's territory. It has 150 million mu of reclaimable land, and 700 million mu of usable grassland. The annual flow of ground-level and underground water is more than 110 billion cubic meters. Sunlight is plentiful and temperatures are high, both favorable conditions for plant growth. There are great prospects for oil and gas deposits in Tarim, Junggar, and Turpan Pendi. The prospects for coal deposits are ever greater, placing the region among the province, municipalities, and autonomous regions richest in such resources. So far 115 different kinds of metal ores have been discovered in the region.

Wang Enmao said: "The CPC Central Committee and the State Council have decided to build Xinjiang into a most important base area [(ji di 1015 0966)] of our country by the 21st century. With this strategic policy decision of the CPC Central Committee, our motherland and the Chinese nation have entrusted the people of various nationalities in Xinjiang with a glorious, historic, and important task. This task is very arduous. However, Xinjiang, full of promise, can certainly become more prosperous provided we correctly implement the party's line, principles, and policies."

Wang Enmao also particularly stressed the importance of training minority nationality cadres for the building of frontier regions. He said: "Minority nationality cadres have an intimate knowledge of the customs and habits of their respective nationalities and are well versed in their respective languages. Without training a large number of minority nationality cadres, it is impossible to make greater achievements in the construction of Xinjiang."

He said: "A large number of cadres and specialized and technical personnel of minority nationalities have been trained in various ways since the founding of the autonomous region. By the end of last year, the region had more than 192,000 cadres from minority nationalities. Three of the six secretaries of the regional CPC Committee belong to minority nationalities, and four minority nationality cadres now serve as chairman or vice chairmen of the regional people's government. In the region's 15 prefectures and cities, with the exception of 2 cities, all commissioners, mayors, and prefecture heads belong to minority nationalities."

Wang Enmao also dealt with the question of relations among various nationalities. He held that the key to political stability in Xinjiang lies in achieving unity among the various nationalities. He said: The idea that "the minority nationalities cannot live without the Han nationality, and vice versa" is gradually taking root in the hearts of the people. It is the common wish of all nationalities to build and defend the frontier region and to uphold the unification of the motherland. He expressed the conviction that people of all nationalities ardently love the party, the motherland, and socialism. Since brothers and sisters of one family may have contradictions among them, problems are unavoidable among nationalities. As long as we act according to the party's policies, problems can be solved when they occur.

Wang Enmao confidently said: "The prospects for stability and unity, economic development, and the prosperity of the people in Xinjiang are very bright and optimistic."

XINJIANG INVESTIGATION GROUP MISSPENDS FUNDS

HK131241 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 12 Sep 85

[Excerpt] The regional Discipline Inspection Commission has recently issued a circular suggesting ways of handling the case of the southern Xinjiang help-the-poor investigation and assessment group of the regional Civil Affairs Department, which indulged in extravagant entertainment. The circular urged all party members, particularly those who are cadres, to maintain close contacts with the masses, to suffer hardships before enjoying themselves, and to resolutely fight against the new malpractices and all crimes.

The circular pointed out: From December 1984 to January 1985, the southern Xinjiang help-the-poor investigation and assessment group of the regional Civil Affairs Department indulged in extravagant entertainment during its visit to five prefectures and autonomous prefectures in southern Xinjiang. This is a serious mistake.

The circular said: Other comrades of the southern Xinjiang help-the-poor investigation and assessment group should receive education in this area. Economically, they should return the money received. In order to achieve their aims, the leaders of Hetian, Kax, Kizilu, Aksu and Bayangol prefectures and autonomous prefectures violated regulations when receiving the southern Xinjiang help-the poor investigation and assessment group.

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They used public funds to extravagantly entertain them and to give them presents. This is also a serious mistake. It is hoped that the prefectural and autonomous prefectural CPC Committees and Discipline Inspection Committees concerned will seriously investigate the case. The committees should take appropriate disciplinary measures against those who made serious mistakes. Leading cadres at and above county level who took part in the extravagant entertainment must return the money.

The circular urged all party members to learn from the case of the southern Xinjiang help-the-poor investigation and assessment group. They should stand on the side of party spirit and principles, and resolutely fight against new malpractices and all crimes.

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